

General Summary

Executive Appropriations allocated \$32,236,300 in General Fund and assigned the Economic Development and Human Resources Appropriations Subcommittee to recommend budgets for 73 different programs in the Department of Community and Economic Development, Department of Human Resource Management, Career Service Review Board, Utah Technology Finance Corporation, and Utah State Fair Corporation. These budgets must be balanced to the allocated funds. Towards session's end, the chairs will present the subcommittee's recommendations to Executive Appropriations for final approval or adjustment.

To give the Subcommittee's budget discussions a starting place, the Analyst has reviewed each budget, visited agencies, and analyzed the agencies' requests and the Governor's recommendations. The Analyst's recommendation is balanced to Executive Appropriations allocated amount.

The Subcommittee also holds a Community Service Block Grant hearing.

**Nonlapsing
Treatment**

In the past, budgets with nonlapsing balances show no carry forward:

	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
General Fund (Ongoing)	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Beginning Nonlapsing	150,000	150,000	150,000	150,000	150,000	
Closing Nonlapsing	(150,000)	(150,000)	(150,000)	(150,000)		
Total	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,150,000	\$1,000,000
% Change		0.0%	0.0%	0.0%	15.0%	(13.0%)

Notice that although General Fund is constant over the years, FY 1999 Estimated shows an increase of 15% and FY 2000 shows a decrease of 13%.

Proposed New Treatment:

	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
General Fund (Ongoing)	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Beginning Nonlapsing	150,000	150,000	150,000	150,000	150,000	150,000
Closing Nonlapsing	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
Total	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
% Change		0.0%	0.0%	0.0%	0.0%	0.0%

The Analyst will show nonlapsing balances changing if there are good reasons to do so. Otherwise the Analyst will assume closing nonlapsing amounts that neutralize nonlapsing funds effect on budget totals.

**General Fund
Treatment**

To help Legislators and agencies understand the Analyst's recommendation as they compare it to past allocations, this Analyst will break out General Fund appropriations and recommendations into On-going, One-time, and Total. Shown below is the history for Business and Economic Development. If you only see the total line then you see a 3.7% cut in General Fund going from FY 1999 Estimated to FY2000 Analyst but if you look at ongoing there is a slight increase.

	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Estimated	Analyst
General Fund (Ongoing)	\$8,953,100	\$7,519,300	\$7,672,500	\$7,722,600
General Fund (1-time)			350,000	

General Fund Total	\$8,953,100	\$7,519,300	\$8,022,500	\$7,722,600
% change on Total		(16.0%)	6.7%	(3.7%)
% change on On-going General Fund		(16.0%)	2.0%	0.7%

Economic Development and Human Resources Appropriations Subcommittee

Zero Based Budget Review The Department of Community and Economic Development has reviewed all programs to ensure that each is relevant and effective. The goal is to align resources with current needs and objectives. The Department identified the following potential reallocations:

	General Fund	Federal	Mineral Lease	Dedicated Credits
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Business and Economic Development:**Film Commission**

Reduce Cooperation with local partnerships	(\$20,000)
Improve client service fulfillment	20,000

The Film Commission used funding for local partnerships to create two new local film commissions: Northeast Utah in the Uintah Basin and Bridgerland-Northern Utah. They held a meeting for all in-state film commissioners and sent the directors to the AFCE Film Commission Educational program in Denver and paid for booth space for all seven commissions at the Los Angeles Convention Center. However this funding was one-time and cannot be transferred to improve client services. The Analyst is recommending a building block for improved client services.

International Development

Russian trade development initiative	(20,000)
Indonesian marketing initiative	(10,000)
Improve direct access capabilities	15,000
Strengthen investor directory	15,000

With the decline in the economies of these two countries the Program sees better opportunity by making services and publications available over the internet.

National Development

Eliminate California consultant	(96,000)
Reduce placement of ads	(50,000)
Olympic branding partnership	146,000

If they had to reallocate funds this is how they would do it but they would rather keep the consultant and the ads. The Analyst is recommending a building block of \$400,000 for Olympic branding partnership advertisements.

Zero Bases Budget Review (continued)

	General Fund	Federal	Mineral Lease	Dedicated Credits
Business Development				
Recycling coalition contract	(50,500)			
Utah heritage products study contract	(25,000)			
Business visitation project	50,000			
Utah business expansion and incentive project	25,500			

The program contracts with the Recycling Coalition of Utah to handle the Utah Recycling Market Development Zone Program that was created by the Legislature in 1996. They propose to redirect the resources to the hiring of someone to head up a Business Visitation Program to take care of the recycling duties and get closer to existing Utah businesses. Eighty percent of all new jobs come from existing Utah businesses.

The Utah Heritage Products study contract will be completed without using the funds allocated. The program proposes to spend the money finding the most effective incentives for existing Utah businesses.

Utah Procurement

Regional office pass-through	(5,000)
Specification and standards contract	(2,000)
In-state travel	5,000
Workshops/conferences	2,000

Reorganization of the Ogden and Provo Offices resulted in a savings of \$5,000 and a new, more competitive specifications and standards contract saves an additional \$2,000. The reorganization will require \$5,000 in additional travel. Workshops and conferences is how the Program passes on information to Utah businesses and recruits new clients.

Technology Development

Pierre Auger project	(70,000)
Special projects account	44,000
Travel to support mentored Wayne Brown companies	6,000
Annual share to Wayne Brown Institute	20,000

In 1996, \$300,000 was set aside to conduct an environmental assessment of the Pierre Auger project proposed data collection site in central Utah. This is a major scientific study of high energy cosmic rays. Delays in the project

allow the reallocation of \$70,000. The Special Projects Account is for unanticipated opportunities. The Wayne Brown Institute draws venture capital to Utah companies and mentors the companies as they grow into stable enterprises.

Legislative Fiscal Analyst

Zero Bases Budget Review (continued)

	General Fund	Federal	Mineral Lease	Dedicated Credits
Community Development				
Emergency Food Network				
Reduce financial assistance to local food banks	(\$80,000)			
Low-Income Housing				
Improve administrative capacity	80,000			
LIHEAP/HEAT				
Reduce federal subsidies to utilities for customer non-payment		(1,400,000)		
Weatherization				
Obtain waiver from feds to increase weatherization set-aside		1,400,000		
Affordable Housing				
Reduce planning assistance	(55,000)			
Community Development Block Grants				
Leverage federal funding for administration to eliminate CIB administration subsidy	55,000	55,000	(55,000)	
Community Impact Board				
Eliminate mineral lease subsidy for Community Development Block Grant Administration			55,000	
Zoos				
Reduce state assistance to local zoos	(250,000)			
Low-income Housing				
Provide permanent housing for families	250,000			
Fine Arts				
Grants				
Less financial assistance to local grantees	(100,000)			
Outreach Programs				
More technical assistance to local grantees	100,000			

The Department wants to increase technical assistance to organizations by reducing grants. However, the Arts Council is hesitant to make the change.

Legislative Fiscal Analyst

Economic Development and Human Resources Appropriations Subcommittee

	General Fund	Federal	Mineral Lease	Dedicated Credits
State History				
History Projects				
Reduce cemetery matching grants	(\$50,000)			
Public History				
Eliminate one FTE and reduce local history research, writing, and publications	(45,000)			
Collections Management				
New FTE Manuscripts curator	45,000			
Bookstore				
Complete reorganization of bookstore operation and eliminate subsidy	(5,000)			
Coordination and Planning				
Enhance coordination and planning of Utah Cultural Center	25,000			
History Info Center				
Use part-time, temporary staff to manage workload	20,000			
Heritage Grants				
Increase grant program	10,000			

The Public History sections was set up when the county history project started. That project is about to be completed and the Division can reallocate funding for the FTE for a new manuscripts curator.

The Bookstore manager has be assigned the duties of a retiring employee allowing the Division to run the store with part-time temporary employees. This will save \$5,000 and eliminate the Bookstore's subsidy.

The Cemeteries data base program awards matching grants to help cemeteries automate their record-keeping. They also contribute burial information to a statewide data base. They don't believe that a reallocation of funds will hurt the program.

The Utah Cultural Center is a proposed joint venture of the Utah State historical Society and the Utah Arts Council. It will house their offices, collections, a research and information center, and galleries. They propose to use \$25,000 to advance the project.

The Division wants to hire part-time temporary staff to keep the Utah History Information Center staffed at all times. They expect it to cost an additional \$20,000.

They also propose to increase Heritage grants another \$10,000 and propose to not only fund one-time projects but on-going programming as well.

State Library

Bookmobile Program

Continue counties subsidy reduction/ fee increase	(53,200)	108,400
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Network Services

Strengthen development of PIONEER	83,200	
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Network Services

Slow completion of internet connectivity by reducing annual grants	(5,000)	
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Information Services

Reduce purchase of hardcopy materials: books and serial publications	(25,000)	
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The Bookmobile Program reduction is a continues The Division's policy to equalize state support for library services across all services and grant programs. Counties contracting for bookmobile service are expected to reach a threshold minimum payment by the end of Calendar 2000.

Pioneer, in cooperation with Public and Higher Education, the Division licenses commercial databases that provide periodical indexing, document delivery, newspapers, and encyclopedias. These resources can be delivered over the Internet to Utah's smallest libraries.

Network Services has 88% of Utah's libraries connected to the Internet and expects to have close to 95% by the end of FY 1999.

Information Services books and serials purchases could be curtailed but the Division is loathe to do it, fearing that it would affect interlibrary loans and reference services for Utah's small libraries.

Travel Development

Internal Development

Eliminate interagency coordination grants	(232,600)
Scale back subsidy of travel publications	(160,000)

Research and Planning

Improve research development for Olympics	250,000
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Destination Development

Replace lost Mineral Lease funding	100,000	(100,000)
Continue development of destination tourism	42,600	

Recommendation

The Analyst believes that this types of examination and reallocation is healthy and good for government. If the cuts are taken without the reallocations, managers will become cynical and the exercise will become useless. If budget cuts become necessary then this exercise will be helpful, but until then, the Analyst recommends that budgets not be reduced.

Internal Service Fund Adjustments

Internal Service Funds are set up to provide services to multiple agencies and charge the user for the service. The Motor Pool, DFCM (rent), ITS (computers), Risk Management (insurance) and the U. S. Postal Service are changing their rates. Administrative Services has calculated the changes for each program. The Analyst has funded the changes according to the funding of each program. A program that is funded 80% from the General Fund and 20% from federal funds would have the change funded 80% from the General Fund and 20% from federal funds.

Rather than repeat this explanation 30 times, the Analyst will show the changes in table form here:

	Total Adjustment	General Fund Portion
Administration		
Executive	\$14,900	\$14,900
Business & Economic Dev.		
Film Commission	(800)	(800)
International Development	(700)	(700)
National Development	200	200
Business Development	1,400	1,400
Procurement Tech. Assist.	200	100
Office of Veterans Affairs	(100)	(100)
Asian Affairs		
Administration	400	400

Polynesian Affairs		
Administration	100	100
Black Affairs		
Administration	300	300
Travel Development		
Internal Development	(3,600)	(3,000)
Utah State Hist. Society		
Utah State Hist. Society	2,200	
Division of State History		
Administration	3,400	3,400
Division of Fine Arts		
Administration	3,200	3,100
Comm. Arts Outrch. & Dev.	300	200
State Library Division		
Administration	57,500	48,400
Blind & Phys. Handicapped	(1,000)	(600)
Library Development	28,100	17,400

Energy Services		
State Energy Conserv.	(100)	
Energy Tech. Demo.	200	
Community Development		
Administration	(100)	(100)
Community Assistance	100	
Housing Development	1,100	100
Community Services	900	
Human Resource Mgt.		
Administration	1,900	1,900
Classification & Comp.	100	100
Employment Services	900	900
Information Technology	(7,200)	(7,200)
Career Service Review Board		
Career Service Review Bd	100	100
TOTAL	\$103,900	\$80,500

Performance Measures

When the Legislature does budgets, one of the important functions is oversight, making sure that taxpayer funds are spent well. This is a difficult

task because there is too much to look at. To help the Legislature, the Analyst is including more performance measures this year.

There are three different types of measures: input, output or activity, and outcome. The agencies like to concentrate on input. Here the focus is on: Did the Legislature give the program enough funding? Output or activity measures are used to show how busy an agency was. Measures might include how many meetings they held or how many times they had to answer the phone. Outcome measures show if the agency is accomplishing its mission. For instance, if the agency is charged with increasing the number of jobs then an appropriate measure is the number of jobs created. The Analyst recommends outcome measures and calls them "Performance Measures".

Getting a good set of measures is a difficult, continuing process that requires the cooperation of the agencies. It often takes years to get a good set in place and then they change every time responsibilities change.

With the Departments' help the Analyst has added performance measures to this year's budget presentation.

**Building Block
Summary**

Financing	Analyst
General Fund (Ongoing)	\$774,700
General Fund (1-time)	(626,200)
General Fund Total	148,500
Federal	2,500
Dedicated Credits	20,700
Oil Overcharge-Stripper	200
Utah Sports Authority	900,000
Beginning Nonlapsing	5,300
Closing Nonlapsing	(5,300)
Total	<u>\$1,071,900</u>
Programs	
Administration	\$14,900
Business & Econ. Dev.	450,200
Asian Affairs	400
Polynesian Affairs	100
Black Affairs	300
Travel Development	496,400
Utah State Hist. Society	2,200

State History	3,400
Fine Arts	3,500
State Library	84,600
Energy Services	100
Community Development	(48,000)
Human Resource Mgt.	51,700
Career Service Review	12,100
Total	<u><u>\$1,071,900</u></u>

4.0 Economic Development and Human Resources Historical Context

Financing	FY 1995 Actual	FY 1996 Actual	FY 1997 Actual	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst
General Fund (Ongoing)	\$39,449,600	\$33,896,500	\$35,744,500	\$36,288,200	\$32,087,800	\$32,862,500
General Fund (1-time)			712,500		3,667,000	(626,200)
General Fund Total	\$39,449,600	\$33,896,500	\$36,457,000	\$36,288,200	\$35,754,800	\$32,236,300
Federal	16,211,700	17,479,900	16,739,900	20,861,900	31,950,500	36,257,400
Dedicated Credits	6,539,600	6,283,200	6,179,300	9,910,900	9,758,400	10,156,800
Transportation	118,000	118,000	118,000	118,000	118,000	118,000
GFR-Industrial Assist.	140,900	162,000	167,500	173,800	177,100	176,900
GFR-Homeless Trust	450,000	478,000	650,000		150,000	150,000
GFR-Mineral Lease	10,657,100	14,058,800	13,501,100	100,000		
Permnt. Comm. Impact	393,600	454,000		23,409,600	15,361,000	13,337,500
Repayments	7,684,100	7,992,000	9,223,000		8,900,000	8,375,000
Oil Overcharge-Exxon	688,000	1,015,400				185,000
Oil Overcharge-Stripper	1,152,000	1,699,700	973,800		1,388,600	2,083,100
Transfers	2,901,800	(390,900)		4,856,700	(580,600)	
Utah Sports Authority						900,000
Beginning Nonlapsing	11,448,000	16,290,000	12,202,100	13,034,200	11,739,900	9,181,300
Closing Nonlapsing	(18,456,800)	(14,101,100)	(13,341,000)	(10,809,900)	(9,194,900)	(9,181,300)

Lapsing	(607,600)	(2,855,700)	(5,162,200)	(14,039,500)		
Total	\$78,770,000	\$82,579,800	\$77,708,500	\$83,903,900	\$105,522,800	\$103,976,000

Expenditures	FY 1995 Actual	FY 1996 Actual	FY 1997 Actual	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst
Personal Services	\$14,852,400	\$15,594,500	\$15,069,400	\$15,597,300	\$16,503,100	\$16,433,300
Travel	679,300	626,800	658,900	660,000	805,400	762,000
Current Expense	12,457,800	12,476,600	9,486,200	9,444,600	10,272,400	10,971,100
Data Processing	686,000	1,099,900	1,041,400	975,600	866,500	933,300
DP Capital	1,133,700	681,600	139,100	199,400	207,900	119,200
Capital Outlay	51,000	144,200	163,700	188,600	91,000	
Pass-Through	48,909,800	51,956,200	51,149,800	56,838,400	76,776,500	74,757,100
Total	\$78,770,000	\$82,579,800	\$77,708,500	\$83,903,900	\$105,522,800	\$103,976,000
% Change		4.8%	(5.9%)	8.0%	25.8%	(1.5%)

4.0 Economic Development and Human Resources Historical Context (continued)

Programs	FY 1995 Actual	FY 1996 Actual	FY 1997 Actual	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst
Administration	\$1,480,900	\$1,466,500	\$1,878,800	\$2,186,000	\$2,357,900	\$2,273,700
Industrial Assistance	1,475,900	1,277,900	144,000	92,400	244,500	244,300
Business & Econ. Dev.	8,010,800	10,582,100	9,991,700	8,998,300	8,454,400	8,501,200
Asian Affairs	114,700	112,200	103,100	123,700	118,700	119,100
Polynesian Affairs	95,800	90,000	105,900	108,500	118,900	119,000
Black Affairs	126,800	106,500	104,800	118,900	118,700	119,000
Hispanic Affairs	144,900	113,200	114,700	104,200	121,000	121,000
Indian Affairs	202,400	198,600	188,700	210,300	510,600	210,600
Martin Luther King C.		3,000	7,200	38,000	35,000	25,000
Travel Development	3,841,100	4,589,600	4,334,100	4,299,400	4,443,000	4,802,300
Utah State Hist. Society	511,800	231,000	187,600	182,200	317,400	323,600
State History	2,154,200	2,361,600	2,377,300	2,365,300	2,399,700	2,403,100
Fine Arts	4,995,500	3,315,500	3,154,600	3,274,100	3,778,500	3,527,300

State Library	5,410,300	5,560,900	6,089,900	5,638,100	6,426,400	6,337,100
Energy Services	4,100,800	3,979,100	2,216,300	5,070,000	4,504,700	5,715,500
Community Development	15,561,000	14,991,100	16,483,200	28,380,700	31,136,100	35,140,400
Community Dev. Capital	19,879,500	22,401,700	18,614,400	10,596,900	25,374,800	22,822,100
Disaster Relief	3,900	74,700				
Utah Tech. Finance Corp.	4,499,900	4,295,500	5,022,300	5,172,400	5,500,000	4,200,000
Utah State Fair Corp.	2,714,100	3,122,600	3,339,000	3,640,100	3,694,000	3,493,900
Human Resource Mgt.	3,322,200	3,569,100	3,108,700	3,157,600	3,146,900	3,321,100
Career Service Review	123,500	137,400	142,200	146,800	144,600	156,700
One-time Projects					2,577,000	
Total	\$78,770,000	\$82,579,800	\$77,708,500	\$83,903,900	\$105,522,800	\$103,976,000
% Change		4.8%	(5.9%)	8.0%	25.8%	(1.5%)

FTE	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Standard	370.7	373.2	326.1	321.7	320.4	317.3
Building Block						
Total	370.7	373.2	326.1	321.7	320.4	317.3
% Change		0.7%	(12.6%)	(1.4%)	(0.4%)	(1.0%)

4.0 Economic Development and Human Resources

Budget Process

Our budget process begins in May or June for the fiscal year that begins 14 months later. Each department submits its budget to the Governor's Office of Planning and Budget (GOPB). The Governor then recommends a detailed budget to the Legislature. The Office of the Legislative Fiscal Analyst, a bi-partisan office serving the House and Senate, analyzes the Governor's recommendation and makes an independent budget recommendation to the Legislature. The Legislature hears, debates, and eventually sets the budget by passing an appropriations act.

The Governor's recommendation may include revenue increases through tax or fee increases. The Analyst's recommendation is based on revenue estimates set by the Executive Appropriations Committee which do not include the effects of anticipated legislation. So, while both the Governor

and the Analyst present balanced budgets, they may be balanced to different estimates. Executive Appropriations Committee also divides revenues to the nine subcommittees.

The State does not budget on the calendar year, but on the Fiscal Year beginning July 1 and extending to the following June 30. A fiscal year is usually abbreviated FY followed by the number of the year's end. The current fiscal year is FY 99, which will end June 30, 1999.

The main sources of funding are:

General Fund

The state's most important source of funding comes primarily from sales taxes. General Funds are the only funding source without strings or limitations. Any Constitutionally appropriate activity is allowed.

Uniform School Fund

The main source of funding is from income taxes and corporate franchise taxes. The Utah State Constitution established the Uniform School Fund to "... be maintained and used for the support of the state's public education system..." The constitution also provides that all revenue from taxes on income or intangible property is to be allocated to the support of the public and higher education systems.

Transportation Fund

The Transportation Fund comes from license taxes, registration fees, driver education taxes, and proceeds from gasoline and other liquid motor fuel excise taxes. The Constitution requires that these funds be expended for highways exclusively.

Federal Funds

These funds come from the federal government to accomplish federal purposes. Limitations vary with each grant. A common requirement is matching state dollars. In these cases, reducing state funding may also reduce federal funding. When federal funds are reduced it is common for state agencies to request state funding to make up the loss. This is seldom recommended. Programs which receive federal funds will have a Federal Funds sheet in the Analyst's presentation (section 4.1) which gives the details grant by grant and program by program.

Dedicated Credits

Dedicated Credits are paid to an agency for specific goods or services. Revenues from admission to the State Fair or sales of business directories are dedicated credits. By law these funds must be spent before other appropriated state funds are spent. Dedicated Credit estimates are included in the appropriation.

Restricted General Fund

Restricted funds may be spent only for designated purposes. DCED receives funds to help the homeless and may not spend them for other purposes.

Revenue Transfer

Occasionally, one agency may contract with another to provide funding for specific services. The Executive Branch is prohibited from transferring funds from one appropriation to another.

Lapsing Funds

Unspent balances at the end of the year come back, or lapse, to the Legislature for reappropriation. Exceptions are sometimes made in Utah State Code but usually funds will be designated Nonlapsing in the appropriations act. In these cases, the Closing Nonlapsing balance at the end of the year will be the Beginning Nonlapsing balance in the following year. The reason for Nonlapsing is that some projects take more than a year to finish.

Other key budget terms:**Intent Language**

Intent language may be added to an appropriation bill to explain or put conditions on the use of the appropriation.

Supplemental Appropriation

The current legislative session is determining appropriations for the following fiscal year (FY 2000). However, unexpected circumstances may call for adjustment to the current fiscal year (FY 1999). Such appropriations are called Supplemental Appropriations.

FTE

FTE is an abbreviation for Full-Time Equivalent. This method of standardizing personnel counts means that one person working 40 hours a week is the full time equivalent of ten people working 4 hours a week.

Line Item

Large appropriations bills are collections of smaller appropriations, each

designated by a bill line item number. Line Items usually go to an agency that may have several programs. Once the appropriation becomes law, the funds may be moved from program to program within the line item but may not be moved to another line item.

1.0 DCED Administration

**Total
Recommendation**

Financing	Analyst
General Fund (Ongoing)	\$2,273,700
Beginning Nonlapsing	4,300
Closing Nonlapsing	(4,300)
Total	\$2,273,700
Programs	
Executive	\$1,326,500
Information Technology	947,200
Total	\$2,273,700

Mission

Administration gives direction, public relations, personnel, accounting, research and data processing support to the Department.

2.0 DCED Administration Budget Highlights

INC. 500 Conference The State hosted the INC. 500 national conference. INC. magazine's audience is 2,000,000 entrepreneurs and business start-ups executives. The conference had 12,000 attendees. Original funding came from the programs shown below.

\$106,549	Intermountain Technology Program Nonlapsing
125,000	Business Development
50,000	Technology Development
37,000	National Development
21,255	Advertising
75,000	Travel Council
\$414,804	TOTAL

The state expected to break even on the project by selling sponsorships but they did not sell as many as expected. At last report, the Department had \$157,000 to repay the programs but has not made the allocation.

3.1 DCED Administration Programs: Executive

Recommendation The Analyst's recommendation of \$1,326,500 includes an increase of \$14,900 for internal service fund rate adjustments. Last session the Legislature appropriated \$70,000 in one-time moving expenses. At that time the division expected to move to a new location because of increasing rent. The landlord eventually decreased the rent to a level that the Division decided to stay. The Department plans to use the \$70,000 to cover the difference between the planned and actual rent increase and for one-time data processing purchases.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$1,161,900	\$1,311,600	\$1,326,500	\$14,900
General Fund (1-time)		70,000		(70,000)
General Fund Total	\$1,161,900	\$1,381,600	\$1,326,500	(\$55,100)
Beginning Nonlapsing	11,700	4,300	4,300	
Closing Nonlapsing	(4,300)	(4,300)	(4,300)	
Total	\$1,169,300	\$1,381,600	\$1,326,500	(\$55,100)
FTE	14.0	14.0	14.0	

Mission The Department Director and his immediate staff direct and coordinate the Department's work with the Governor and other state agencies.

A staff of fourteen provide the department's public relations, research, personnel, budget and accounting, and internal auditing services.

Previous Intent S. B. 1, item 97:

It is the intent of the Legislature that the Department of Community and Economic Development permanent employee FTE count be maintained at the FY 1998 level or lower.

Compliance: Full

Previous Intent S. B. 1, item 98:

It is the intent of the Legislature that funds [\$20,000] for the Blanding Dinosaur Museum be matched on the basis of two dollars for every state

dollar.

Compliance: Full

Legislative Fiscal Analyst

3.2 DCED Administration Programs: Information Technology

Recommendation The Analyst recommends a budget of \$947,200.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$1,045,800	\$947,200	\$947,200	
Beginning Nonlapsing		29,100		(\$29,100)
Closing Nonlapsing	(29,100)			
Total	\$1,016,700	\$976,300	\$947,200	(\$29,100)
FTE	12.0	12.0	12.0	

Mission The Information Technology Program runs the Department's computer networks and coordinates with the State's Information Technology Services. The work is divided into these groups: network services, applications development, Internet services, information services, and community network development. Some of the Department's work is done through the Technology Alliance Program.

4.0 DCED Administration Tables

Financing	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
General Fund (Ongoing)	\$1,373,200	\$1,426,800	\$1,871,500	\$2,207,700	\$2,258,800	\$2,273,700
General Fund (1-time)					70,000	
General Fund Total	\$1,373,200	\$1,426,800	\$1,871,500	\$2,207,700	\$2,328,800	\$2,273,700
Transfers	29,000					
Beginning Nonlapsing	142,000	63,300	19,000	11,700	33,400	4,300
Closing Nonlapsing	(63,300)	(20,100)	(11,700)	(33,400)	(4,300)	(4,300)
Lapsing		(3,500)				
Total	\$1,480,900	\$1,466,500	\$1,878,800	\$2,186,000	\$2,357,900	\$2,273,700
% Change		(1.0%)	28.1%	16.4%	7.9%	(3.6%)

Programs	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Executive	\$1,187,900	\$1,081,500	\$1,160,400	\$1,169,300	\$1,381,600	\$1,326,500
Information Technology	293,000	385,000	718,400	1,016,700	976,300	947,200
Total	\$1,480,900	\$1,466,500	\$1,878,800	\$2,186,000	\$2,357,900	\$2,273,700
% Change		(1.0%)	28.1%	16.4%	7.9%	(3.6%)

Expenditures	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Personal Services	\$791,600	\$868,200	\$1,002,500	\$1,371,400	\$1,412,500	\$1,353,900
Travel	11,400	8,400	9,000	10,200	10,200	10,200
Current Expense	529,600	439,200	478,100	502,200	587,900	642,000
Data Processing	78,200	103,400	321,800	246,500	254,200	246,500
DP Capital	67,600	47,300	67,400	55,700	93,100	21,100
Capital Outlay	2,500					
Pass-Through						
Total	\$1,480,900	\$1,466,500	\$1,878,800	\$2,186,000	\$2,357,900	\$2,273,700
% Change		(1.0%)	28.1%	16.4%	7.9%	(3.6%)

FTE	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst

Standard	16.0	17.0	26.0	26.0	26.0	26.0
Building Block						
Total	16.0	17.0	26.0	26.0	26.0	26.0
% Change		6.3%	52.9%	0.0%	0.0%	0.0%

1.0 Industrial Assistance Fund**Total
Recommendation**

Financing	Analyst
General Fund (Ongoing)	\$2,400
Dedicated Credits	65,000
GFR-Industrial Assist.	176,900
Total	\$244,300
Programs	
Administration	\$244,300
Total	\$244,300

Mission

The Industrial Assistance Fund provides "loans and other financial assistance ... related to the establishment, relocation or development of industry in Utah" emphasizing high paying jobs. The program serves financially strong companies with proven track records that can generate \$10,000,000 in additional expenditures annually for five years. The statute slackens requirements for companies that locate in "economically disadvantaged rural areas" which include 23 of Utah's 29 counties.

The annual interest rate for these loans is 10% and the loans must be paid back in cash or credits. Credits are based on factors determined by the administrator and can include the number of Utah jobs created, increased economic activity in Utah, and other events and activities that occur as a result of the loan. (UCA 9-2-1204(3))

At the end of the fiscal year, after transferring the General Fund surplus to the Budget Reserve Account as provided in Section 63-38-2.5, any additional unrestricted, undesignated General Fund balance, beyond the first \$10,000,000 shall be earmarked to the Industrial Assistance Fund in an amount equal to the credits accrued. These credits are not available until appropriated by the Legislature. (UCA 9-2-1204(5)).

The program also manages the State's \$150,000,000 tax-exempt volume cap bonding authority called the Private Activity Bond Authority; The Community Economic Development Project Fund; and the Waste Tire Recycling Fund.

3.1 Industrial Assistance Programs: Administration

Recommendation The Analyst recommends a budget of 244,300. Operating expenses are paid from the General Fund Restricted - Industrial Assistance Fund. The \$65,000 in Dedicated Credits is a fee for managing the Rural Assistance Program. The Supplementals section of the Analyst's recommendation includes a recommendation for \$5,162,500 to replenish the fund.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$1,875,000	\$2,400	\$2,400	
General Fund (1-time)		925,000		(925,000)
General Fund Total	\$1,875,000	\$927,400	\$2,400	(925,000)
Dedicated Credits		65,000	65,000	
GFR-Industrial Assist.	173,800	177,100	176,900	(200)
Transfers	(1,875,000)	(925,000)		925,000
Lapsing	(81,400)			
Total	\$92,400	\$244,500	\$244,300	(\$200)
FTE	2.0	2.0	2.0	

Activity Industrial Assistance Fund

Malt-O-Meal will build their primary western manufacturing and distribution facility in Tremonton. Phase I is a \$90,000,000, 400,000 square foot (expandable to 1,000,000) facility sited on 101 acres. The company will create 160 to 300 high paying jobs at an annual salary of \$29,000 plus profit sharing (9% in recent years) and pension. Before medical benefits the average salary is projected at \$36,000 which is 70% higher than the average job in Box Elder County. The IAF became involved during the site search and awarded the company \$750,000 incentive loan.

Intertape Polymer Group is a Montreal manufacturer of plastic film packing products (stretch pallet wrap and shrink film) that will build it's western manufacturing and distribution plant in Treemonton. The company will bring 73 to 150 jobs paying 20% higher than the average job in Box Elder County. They will spend \$25,000,000 on a 100,000 Square Foot building and equipment.

Bear River Working Ranches received \$50,000 to form a working ranch cooperative. This is the first Rural Resettlement Fund loan. The dude ranch will provide range riding, fence repairing, trail riding, fishing, hunting, camping, quilt making, and rodeos. The project will provide 20 seasonal

3.1 Industrial Assistance Programs: Administration

Activity (continued) **Horizon Metals** is the first corporate expansion from the Wasatch Front to rural Utah (Nephi). The company was awarded an \$80,000 loan that becomes a grant when the company provides 60 new jobs that are 15% above the county average.

Satterwhite Log Homes was awarded a \$50,000 loan that becomes a grant when it creates 25 new jobs that are 93% above the county average. They will invest \$1,750,000 in the new Gunnison plant.

Gateway 2000 is a high growth computer manufacturing and marketing company that ran out of room in South Dakota. They will receive a \$50,000 to \$200,000 loan based on the number of high paying jobs (25% higher than the average job in Salt Lake County. The company will have created 700 new jobs by the end of 1998 and a total of 1,200 jobs by the year 2000. Gateway projects that plant revenues will exceed \$1,000,000,000 by 2000.

Community Economic Development Project Fund

Green River received a \$26,000 grant that must be matched to redo the Amtrak station's ADA platform and outside lighting. This will help them revitalize Main Street.

Tire Recycling Fund

Emery Recycling Corporation received a \$250,000, 5-year loan for a commercial size gasification recycling unit outside Hunnigton. The company will recycle 400,000 Utah tires annually.

Legislative Fiscal Analyst

4.0 Industrial Assistance Tables

Financing	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
General Fund (Ongoing)	\$1,340,000	\$1,148,500		\$1,875,000	\$2,400	\$2,400
General Fund (1-time)					925,000	
General Fund Total	\$1,340,000	\$1,148,500		\$1,875,000	\$927,400	\$2,400
GFR-Industrial Assist.	140,900	162,000	167,500	173,800	177,100	176,900
Dedicated Credits					65,000	65,000
Transfers				(1,875,000)	(925,000)	
Lapsing	(5,000)	(32,600)	(23,500)	(81,400)		
Total	\$1,475,900	\$1,277,900	\$144,000	\$92,400	\$244,500	\$244,300
% Change		(13.4%)	(88.7%)	(35.8%)	164.6%	(0.1%)

Programs	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Administration	\$1,475,900	\$1,277,900	\$144,000	\$92,400	\$244,500	\$244,300
Total	\$1,475,900	\$1,277,900	\$144,000	\$92,400	\$244,500	\$244,300
% Change		(13.4%)	(88.7%)	(35.8%)	164.6%	(0.1%)

Expenditures	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Personal Services	\$105,700	\$97,800	\$82,400	\$76,500	\$124,200	\$124,200
Travel	3,100	3,700	2,100	2,200	2,200	2,200
Current Expense	26,700	20,200	57,300	7,700	112,100	112,000
Data Processing	400	7,700	2,200	6,000	6,000	5,900
DP Capital						
Capital Outlay						
Pass-Through	1,340,000	1,148,500				
Total	\$1,475,900	\$1,277,900	\$144,000	\$92,400	\$244,500	\$244,300
% Change		(13.4%)	(88.7%)	(35.8%)	164.6%	(0.1%)

FTE	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Standard	2.0	2.0	2.0	2.0	2.0	2.0

Building Block						
Total	2.0	2.0	2.0	2.0	2.0	2.0
% Change		0.0%	0.0%	0.0%	0.0%	0.0%

1.0 Business and Economic Development**Total
Recommendation**

Financing	Analyst
General Fund (Ongoing)	\$7,722,600
Federal	300,100
Dedicated Credits	78,500
Utah Sports Authority	400,000
Beginning Nonlapsing	2,749,400
Closing Nonlapsing	(2,749,400)
Total	<u>\$8,501,200</u>
 Programs	
Administration	\$830,700
Local Economic Dev.	
Film Commission	720,500
International Development	1,189,200
National Development	540,700
Advertising/Promotion	627,100
Business Development	1,074,400
Procurement Tech. Assist.	832,400
Technology Development	417,100
Centers of Excellence	2,100,000
Veterans Affairs	169,100
Special Opportunities	
Total	<u>\$8,501,200</u>

Mission

The Division's programs promote and develop Utah's economy.

2.0 Business and Economic Development Budget Highlights

Building Block: Section 63-49a-1 directs "The Department of Community and Economic
Hill Air Force Base Development shall acquire, by purchase or condemnation, easements for the
Easements establishment, maintenance, and operation of a restrictive use area for the operation of aircraft to and from Hill Air Force Base"

This should be the last year of the project. Estimated cost is \$450,000 but under current budget constraints the Analyst recommends no funding. If funded, it should be as a supplemental because some of the funding may be needed in the current year.

Financing	Analyst
General Fund (1-time)	_____
Total	=====

Elimination of The year before last, the Legislature reduced this budget from \$445,000 to
Local Economic \$250,000. Last session, the Legislature reduced it again to \$100,000 in
Development General Fund. This year the Analyst recommends eliminating General Fund
Initiatives (LEDI) to this program. The Analyst believes that program funds local initiatives that
Funding should be funded with local funds. Revenue sharing is using state funds for local purposes and it's unconstitutional. Article 13, Section 5 starts out:

The Legislature shall not impose taxes for the
 purpose of any county, city, town or other
 municipal corporation...

Certainly there may be times when state and local purposes overlap. The Analyst does not believe that this is one of those cases. Examples are shown in the full write-up.

Building Block The Analyst recommends a building block of \$100,000 to digitize the photo library and location library services. This should reduce response time to producers, increase the professionalism of the presentations and reduce costs.

Financing	Analyst
General Fund (Ongoing)	<u>\$100,000</u>
Total	<u><u>\$100,000</u></u>

2.0 Business and Economic Development Budget Highlights (continued)

ISSUE: Contracting The Department has proposed and their board has approved taking the funds
National appropriated to this program and contracting the function to the Economic
Development to Development Corporation of Utah. They can do this without Legislative action
EDCU or approval.

The EDCU is an economic development program started in the late 1980s through the Committee of 100 in the Salt Lake Chamber of Commerce. It is funded by private businesses, Salt Lake City, Salt Lake County, other municipalities, and rural counties. The state makes a contribution through the LEDI program.

The Analyst has these concerns:

- ♦ The State's budget contribution will more than double the national recruitment budget of EDCU but the State only gets two seats on a very large board.

The Department argues that the Governor becomes the Chairman and that the two seats will exert tremendous influence, and that the people on the other side of the deal fear that they are being overpowered by the State. The Department also notes that there is a 60 day termination clause in the contract that allows the State to withdraw if things aren't going as expected.

- ♦ The Analyst is not convinced that the new arrangement would be better. Some of the most valuable tools in recruitment are the Industrial Assistance Fund and Custom Fit, both state programs. Coordinating with other state agencies such as the Tax Commission, DEQ, Transportation, and Commerce are part of the problem solving associated with recruitment. The State has a built in ability to work with it's own and a unique prestige that EDCU doesn't have.

The Department believes that theses are solvable problems.

- ♦ The Analyst believes that the Governor and the Legislature separate themselves from the outcomes by contracting out this function. It's hard to take credit for jobs you created when it's not really your program.

2.0 Business and Economic Development Budget Highlights (continued)

Advertising Increase Two-and-a-half years before the 1996 Olympic Summer Games the State of Georgia formed a public-private partnership called Operation Legacy. The mission was to recruit targeted companies using the Olympics as a showcase. The results were:

- ♦ More than 400 corporate CEO's came to Georgia.
- ♦ 22 foreign based firms established headquarters in Atlanta in 1997.
- ♦ 35 companies are expected to relocate to Georgia bringing thousands of jobs and hundreds of millions in investment.
- ♦ A Lou Harris survey of decision makers voted Atlanta as the No. 1 place to relocate or expand a business in the global community.

Georgia also budgeted \$9,000,000 for an advertising campaign designed to establish and enhance Georgia's image.

The Analyst recommends \$400,000 for similar use from the Sports Authority Fund. This fund was set up to finance Olympic facilities. The tax source of the Fund will generate slightly more dollars than are authorized. This recommendation proposes to use the surplus.

Financing	Analyst
Utah Sports Authority	<u>\$400,000</u>
Total	<u><u>\$400,000</u></u>

Centers of Excellence Additional funding will allow the program to fund one more average sized Center of Excellence.

Financing	Analyst
General Fund (Ongoing)	<u>\$100,000</u>
Total	<u><u>\$100,000</u></u>

2.0 Business and Economic Development Budget Highlights (continued)
**Building Block
Summary**

Financing	Analyst
General Fund	\$50,100
Federal Funds	100
Utah Sports Authority	400,000
Total	<u>\$450,200</u>
 Programs	
Film Commission	\$100,000
Centers of Excellence	100,000
Hill Air Force Easements	
Local Economic Development Initiatives	(100,000)
ISF Rate Adjustments	200
Special Initiatives	(50,000)
Advertising	400,000
Total	<u>\$450,200</u>

3.1 Business and Economic Development Programs: Administration

Recommendation The Analyst recommends a budget of \$830,700.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$809,900	\$830,700	\$830,700	
General Fund (1-time)		350,000		(\$350,000)
General Fund Total	\$809,900	\$1,180,700	\$830,700	(\$350,000)
Beginning Nonlapsing	742,500	539,500	539,500	
Closing Nonlapsing	(539,500)	(539,500)	(539,500)	
Total	\$1,012,900	\$1,180,700	\$830,700	(\$350,000)
FTE	8.0	8.0	8.0	

Mission Administration leads and coordinates economic development and ethnic affairs programs. Initiatives assigned to the Division include the Defense Conversion Fund, Hill Field Right of Way and the Governor's Conference for Economic Development.

Activities DBED re-established the Business Visitation Program with one-on-one visits to Utah businesses to access needs and the business climate.

They sponsored a trade show for businesses wanting to get on the Home Shopping Network with almost 200 businesses participating. The Network is negotiating with 25 businesses.

The 12th Small Business Development Center opened in Moab.

Six new enterprise zones were opened. Changes in the law made in the last session were instrumental in assisting new businesses in Box Elder and

Millard Counties.

DBED organized and conducted four Local Economic Development Professionals Training Programs around the state.

Proposed Intent

The Analyst recommends the following intent:

It is the intent of the Legislature that these funds not lapse.

The multi-year nature of Centers of Excellence makes non-lapsing necessary.

3.2 Business and Economic Development Programs: Local Economic Development Initiatives

Recommendation

The year before last, the Legislature reduced this budget from \$445,000 to \$250,000. Last session, the Legislature reduced it again to \$100,000 in General Fund. This year the Analyst recommends eliminating General Fund to this program. The Analyst believes that program funds local initiatives that should be funded with local funds. Revenue sharing is using state funds for local purposes and it's unconstitutional. Article 13, Section 5 starts out:

The Legislature shall not impose taxes for the purpose of any county, city, town or other municipal corporation...

Certainly there may be times when state and local purposes overlap. The Analyst does not believe that this is one of those cases. Funded first round projects are shown below.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$250,000	\$150,000		(\$150,000)
Beginning Nonlapsing	552,100	459,700	459,700	
Closing Nonlapsing	(459,700)	(459,700)	(459,700)	
Total	\$342,400	\$150,000		(\$150,000)

Mission

This program awards economic development grants to counties.

FY 1999

Box Elder: \$8,500 to fund an economic development strategic plan for Snowville.

First Round Awards

Emery: \$5,000 to complete an industrial development site study to

determine the best of four locations.

Escalante Center: \$25,000 for planning and design of the Escalante Center, a multi-faceted facility which will include a conference center, historical museum, teaching/training center, research and field institutes, a national park visitor center, and other facilities. Partners in the enterprise include the U.S. Bureau of Land Management, Garfield County School District, Southern Utah University, and other public and private entities.

Kane: \$15,000 for planning a "new Paradigm" to address Kane County's economic development future.

Lindon: \$15,000 to complete an industrial development study for an area near a new I-15 interchange.

Logan: \$8,000 to complete a local labor force survey as part of an overall economic development strategic plan.

Paiute Tribe: \$7,500 for a feasibility study and strategic plan for a resort, golf course, and Paiute cultural center.

3.2 Business and Economic Development Programs: Local Economic Development Initiatives

FY 1999

First Round Awards

Sanpete: \$7,000 to conduct a feasibility study for developing a meeting and convention facility.

Southeastern Utah AOG: \$35,000 as a match for a U. S. Economic Development Administration grant to establish a regional revolving loan fund for business development.

Ute Tribe: \$15,000 to prepare an economic development strategic plan for the Uintah River Empowerment Zone application. The federal Empowerment Zone Program provides financial and technical resources to the region.

3.3 Business and Economic Development Programs: Film Commission

Recommendation The Analyst's recommendation of \$720,500 includes an \$800 reduction for internal service fund rate changes and \$100,000 building block for improving client services (see below). Dedicated Credits are from publication sales.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$551,800	\$616,300	\$715,500	\$99,200
Dedicated Credits		5,100	5,000	(100)
Transfers		24,400		(24,400)
Beginning Nonlapsing	87,600	29,000	29,000	
Closing Nonlapsing	(29,000)	(29,000)	(29,000)	
Total	\$610,400	\$645,800	\$720,500	\$74,700
FTE	6.0	6.0	6.0	

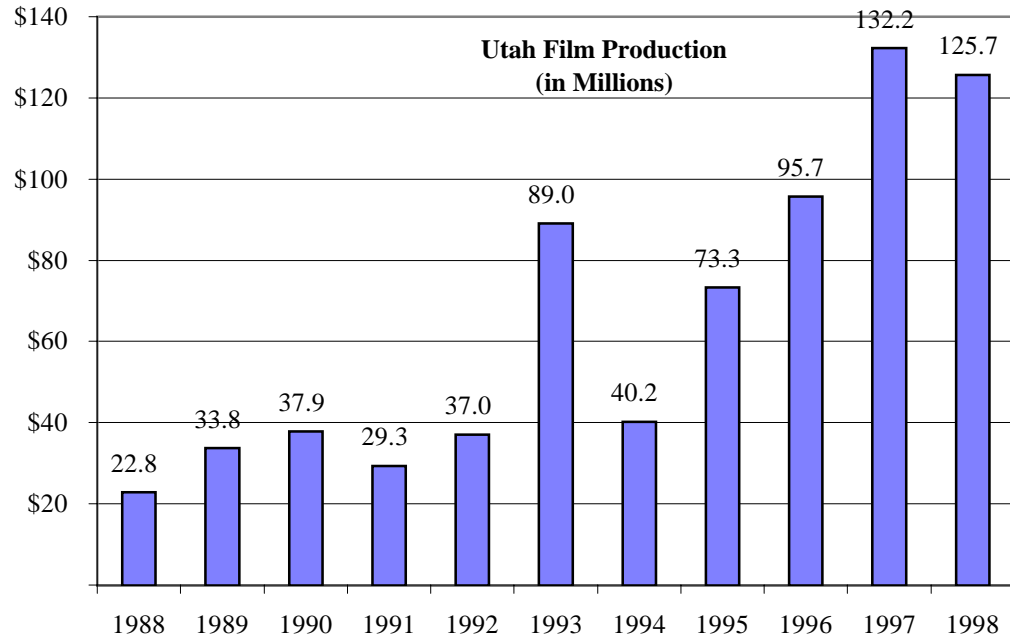
Mission This program promotes Utah as a site for film and commercial production and the use of Utah production companies and professionals. It is a Sundance Film Festival sponsor.

Building Block The Analyst recommends a building block of \$100,000 to digitize the photo

library and location library services. This should reduce response time to producers, increase the professionalism of the presentations and reduce costs.

Financing	Analyst
General Fund (Ongoing)	\$100,000
Total	\$100,000

Film Industry Dollars Spent in Utah



3.3 Business and Economic Development Programs: Film Commission

Activity

The film industry spent \$125,700,000 in Utah last year, down slightly from the prior year's all time high of \$132,000,000. The decline is attributed to the dollar exchange in Canada and the threat of a Screen Actors Guild contract dispute. Despite the drop in dollars spent, the number of features shot in Utah increased from 11 to 17 and the number of television projects and commercials also increased.

They are converting their location library of photographs to digital format for electronic delivery to prospective clients.

Shot in Utah

Recent Feature Films

Clay Pigeons
Friends and Lovers
Letters from a Killer
Long Road Home
Made Men
Meet the Deedles

Recent Television

Promised Land
Touched by an Angel
Dead at Midnight
The Ticket
Lost Treasure of Dos Santos
Extreme

Net Worth
Next to You
The Runner
Samone
Shepherd
Species II
Zack and Reba

Not in This Town
The Stand
Riders of the Purple Sage
Avenging Angel
Nothing Lasts Forever
Divided by Hate
The Visitor
The Unabomber: The True Story

Previous Building Block Report

Last session the Legislature appropriated \$24,400 in one-time funding to develop local film commissions. Two new film commissions were created: Northeast Utah in the Uintah Basin and Bridgerland-Northern Utah. Funding was used for a meeting of all in-state commissioners, the directors were sent to AFCI Film Commission Educational program in Denver, and they paid for booth space for all five commissions at the Los Angeles Convention Center in February of 1999.

Performance Measures

	1996	1997	1998
Client Fulfillment Presentations	890	840	907
Projects Assisted	148	181	187
Presentations/Project	6.01	4.64	4.85

These measures show that they are making more presentations, assisting more projects, and are more effective in their presentations with a slight decline in effectiveness last year. The slight decline in effectiveness may be attributable to a tightening market.

3.4 Business and Economic Development Programs: International Development

Recommendation

The Analyst's recommendation of \$1,189,200 includes a \$700 decrease for internal service fund decreases. Dedicated Credits come from publication sales.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$1,163,200	\$1,179,900	\$1,179,200	(\$700)
Dedicated Credits	200	10,100	10,000	(100)
Beginning Nonlapsing	155,900	49,800	49,800	
Closing Nonlapsing	(49,800)	(49,800)	(49,800)	
Total	\$1,269,500	\$1,190,000	\$1,189,200	(\$800)
FTE	8.0	8.0	8.0	

Mission

This program develops export business and foreign investment in Utah through foreign trade shows, and foreign trade missions.

Activity

They completed the 1997 Utah Global Business Directory listing over 1700 companies. The Directory was translated into German and Spanish and published electronically.

The program led two major trade missions. The first was to China and involved 12 Utah CEOs. The second was to the United Kingdom and focused on government relations and education programs. Smaller missions were to Latin America, Europe and Asia.

The program hosted over 36 foreign trade delegations from China, Korea, Japan, Mexico, Germany, England and Austria to explore two-way market expansion with Utah companies.

The staff completed 21 international trade shows working with over 60 Utah companies at CeBIT Germany, Foodex Japan, Comdex Korea Technomart, Taipei International Medical Equipment and Pharmaceuticals, Repcom Mexico, SITEX Singapore, Warren Business Connections UK, and Bio 98 New York.

Over 2400 Certificates of Free Sale were produced for Utah companies.

The staff conducted 16 seminars to train businessmen from 1200 Utah companies.

The state Trade Representation Network added India and Sweden to Germany, England, Austria, Japan, south Korea, China, Singapore, Taiwan, Mexico, Argentina, Mexico, Benelux, Chile, and Israel.

3.5 Business and Economic Development Programs: National Development

Recommendation

The Analyst's recommended budget of \$540,700 contains a reduction of \$200 for internal service fund adjustments. Dedicated Credits come from publication sales.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$515,300	\$526,000	\$526,200	\$200
Dedicated Credits		14,600	14,500	(100)
Beginning Nonlapsing	179,000	30,400	30,400	
Closing Nonlapsing	(30,400)	(30,400)	(30,400)	
Total	\$663,900	\$540,600	\$540,700	\$100
FTE	5.0	5.0	5.0	

Mission	This program recruits new, relocating or expending businesses to Utah.
Activity: Businesses Locating in Utah	A three year relationship with Malt-O-Meal resulted in a commitment of \$95 million in a 400,000 square foot plant in Tremonton that will employ 160 residents. Personal computer maker and marketer Gateway built a 260,000 square foot plant in Salt Lake that will employ 700 people.
ISSUE: Contracting National Development to EDCU	<p>The Department has proposed and their board has approved taking the funds appropriated to this program and contracting the function to the Economic Development Corporation of Utah. They can do this without Legislative action or approval.</p> <p>The EDCU is an economic development program started in the late 1980s through the Committee of 100 in the Salt Lake Chamber of Commerce. It is funded by private businesses, Salt Lake City, Salt Lake County, other municipalities, and rural counties. The state makes a contribution through the LEDI program.</p> <p>The Analyst has these concerns:</p> <ul style="list-style-type: none"> ♦ The State's budget contribution will more than double the national recruitment budget of EDCU but the State only gets two seats on a very large board. <p>The Department argues that the Governor becomes the Chairman and that the two seats will exert tremendous influence, and that the people on the other side of the deal fear that they are being overpowered by the State. The Department also notes that there is a 60 day termination clause in the contract that allows the State to withdraw if things aren't going as expected.</p> <ul style="list-style-type: none"> ♦ The Analyst is not convinced that the new arrangement would be better. Some of the most

3.5 Business and Economic Development Programs: National Development

- valuable tools in recruitment are the Industrial Assistance Fund and Custom Fit, both state programs. Coordinating with other state agencies such as the Tax Commission, DEQ, Transportation, and Commerce are part of the problem solving associated with recruitment. The State has a built in ability to work with it's own and a unique prestige that EDCU doesn't have. The Department believes that theses are solvable problems.
- ♦ The Analyst believes that the Governor and the

Legislature distance themselves from the outcomes by contracting out this function. It's hard to brag about jobs you created when it's not really your program.

Recommendation The Analyst does not recommend the merger. This is a difficult issue with good arguments on both sides but the Analyst feels that the State needs to remain close to this core Department function.

Recent Recruits This chart shows the companies that were recruited in the Fiscal Year 1998.

	Origin	Jobs	Avg. Salary	County
Investor Dynamics	CA	100	\$35,000	Salt Lake
Mortgage/Financial Consultant				
Tennessee Press	TN	15	25,000	Davis
Printing/Packaging				
V.M. technology	CA	65	30,000	Davis
Environmental Cleanup				
Performax	CA	25	25,000	Utah
Manufacture Athletic Insoles				
Malt-O-Meal	MN	350	36,000	Box Elder
Cereal Processing				
ME Technologies	CA	20	30,000	Utah
Robotics				
Renaissance Golf	CA	45	25,500	Salt Lake
Equipment Distribution				
Spider Staging Sitemaps	MA	13	30,000	Weber
Scaffolding Manufacturing				
Diamond C Trailer Mfg.	TX	80	25,500	Sevier
Trailer Manufacturing				
Specialized	CA	25	33,000	Salt Lake
Custom Bicycle Manufacturing				
Pagenet	TX	800	19,836	Salt Lake
Wireless Info. Services				
Arlington Scientific	TX	50	38,000	Utah
Light Manufacturing - Medical				
Rotating Equipment Services	Canada	75	35,000	Weber
Field Service				
Olson Farms	MS	50	25,000	Millard
Egg Production				
TOTAL		1,713	\$26,676	

3.6 Business and Economic Development Programs: Advertising/Promotion

Recommendation The Analyst's recommendation of \$627,100 includes a building block of \$400,000 for advertising designed to take advantage of the Olympics.

Financing	FY 1998	FY 1999	FY 2000	Est/Analyst
	Actual	Estimated	Analyst	Difference
General Fund (Ongoing)	\$224,600	\$227,100	\$227,100	

Utah Sports Authority			400,000	\$400,000
Beginning Nonlapsing	18,200	117,500	117,500	
Closing Nonlapsing	(117,500)	(117,500)	(117,500)	
Total	\$125,300	\$227,100	\$627,100	\$400,000
FTE	1.0	1.0	1.0	

Mission This program handles all Division advertising.

Building Block Two-and-a-half years before the 1996 Olympic Summer Games the State of Georgia formed a public-private partnership called Operation Legacy. The mission was to recruit targeted companies using the Olympics as a showcase. The results were:

- ♦ More than 400 corporate CEO's came to Georgia.
- ♦ 22 foreign based firms established headquarters in Atlanta in 1997.
- ♦ 35 companies are expected to relocate to Georgia bringing thousands of jobs and hundreds of millions in investment.
- ♦ A Lou Harris survey of decision makers voted Atlanta as the No. 1 place to relocate or expand a business in the global community.

Georgia also budgeted \$9,000,000 for an advertising campaign designed to establish and enhance Georgia's image.

The Analyst recommends \$400,000 for similar use from the Sports Authority Fund. This fund was set up to finance Olympic facilities. The tax source of the funds will generate slightly more dollars than are authorized. This recommendation proposes to use the surplus.

Financing	Analyst
Utah Sports Authority	\$400,000
	\$400,000

Recommendation The Analyst's recommended budget of \$1,074,400 has an additional \$1,400 for internal service fund rate adjustments. Dedicated Credit revenue comes from publication sales.

Financing	FY 1998	FY 1999	FY 2000	Est/Analyst
	Actual	Estimated	Analyst	Difference
General Fund (Ongoing)	\$918,500	\$1,033,000	\$1,034,400	\$1,400
Dedicated Credits	23,500	40,000	40,000	
Beginning Nonlapsing	640,000	341,300	341,300	
Closing Nonlapsing	(341,300)	(341,300)	(341,300)	
Total	\$1,240,700	\$1,073,000	\$1,074,400	\$1,400
FTE	6.0	6.0	6.0	

Mission

This program helps Utah businesses stay and grow within the state. Internal growth is Utah's major source of new jobs. It publishes the Utah Directory of Business and Industry and the pamphlet "Going Into Business in Utah".

It manages the contracts or serves as liaison for the Rural Development Council, the Small Business Development Centers, Utah's Defense Conversion Fund, and the Local Economic Development Initiative.

The Rural Development Council identifies and coordinates rural resources. It is a federal program with \$32,000 in state matching funds. Only the State's portion of the funding is shown in this budget because the federal funds are appropriated directly to the University where they are passed on to the Rural Development Council.

The Small Business Development Centers provide one-stop information in cooperation with Higher Education, DCED, Utah Technology Finance Corporation, and the Federal Small Business Administration.

Activity

The table below shows a dramatic increase in the number of businesses visited and a significant increase in the number of businesses they were able to help.

	FY 1996	FY 1997	FY 1998
Businesses Visited	116	110	144
Businesses Assisted	393	426	471

The program funds 20% of the Small Business Development Centers budget in partnership with Small Business Administration and local Utah colleges and Universities. The contract for FY 1999 is \$360,000. The Small Business Development Centers counseled 1,990 clients and sponsored 357 training sessions statewide.

Performance Measures

	FY 1996	FY 1997	FY 1998
Companies Announced	19	15	14

Jobs Created	1,343	2,972	1,713
Site Visits	89	51	72
New Prospects Generated	106	108	114
Total Prospects	160	157	144
Materials Sent			
General Packets	671	226	253
Research Packets			167
Proposals			21
Ads Responses	524	621	271
Proposals/Research Packets	154	74	
Miscellaneous Information			71

The performance measures show that the number of new companies has dropped slightly and the number of new jobs significantly. They have generated more new prospects but the number of total prospects has declined. The materials sent portion of the report shows that they are changing the way they do business. Research Packets and Miscellaneous Information are new categories and the Proposals/Research Packets category is discontinued. Advertising Responses is down significantly.

Recommendation The Analyst recommends \$832,400 which includes an extra \$100 for internal service fund adjustments. The Agency estimates that federal fund will decline slightly.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$522,300	\$532,200	\$532,300	\$100
Federal	332,700	305,700	300,100	(5,600)
Beginning Nonlapsing	7,800	4,300	4,300	
Closing Nonlapsing	(4,300)	(4,300)	(4,300)	
Total	\$858,500	\$837,900	\$832,400	(\$5,500)
FTE	7.0	7.0	7.0	

Mission This program helps Utah firms get more government and commercial business. Working with the Associations of Governments it provides technical assistance, facilities, and information.

Activity The staff estimates that for every \$1,000,000 in awarded contracts, 25 jobs are created or maintained. Last year they provided assistance to almost 1,000 companies receiving over \$290,000,000 in contracts. This results in generating or protecting 7,250 jobs in Utah.

Staff took 10 Utah companies to the Elko Mining Show, Singapore International Air Show, and the Abbotsford BC International Air Show.

They sponsored 52 training workshops for 3,698 Utah businesses.

Performance Measures

	FY 1996	FY 1997	FY 1998
Government Contracts Awarded	\$300,000,000	\$235,000,000	\$200,000,000
Private Contracts Awarded	1,050	1,030	780
Initial Counseling	386	227	254
Follow-up Counseling	1,340	662	744
Conferences	19	49	42
Participants	2,084	450	1,600

These performance measures show a steep decline in government and private contracts awarded.

3.9 Business and Economic Development Programs: Technology Development

Recommendation The Analyst recommends a budget of \$417,100.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$401,200	\$413,100	\$413,100	
Dedicated Credits		4,000	4,000	
Beginning Nonlapsing	798,000	578,300	578,300	
Closing Nonlapsing	(578,300)	(578,300)	(578,300)	
Total	\$620,900	\$417,100	\$417,100	
FTE	5.0	5.0	5.0	

Mission This Program develops high tech businesses and provides administrative support to the Centers of Excellence Program. It works with the Utah Small Business Development Centers, the Wayne Brown Institute (formerly the Utah Innovation Foundation), and technology transfer offices at Utah's universities.

3.10 Business and Economic Development Programs: Centers of Excellence

Recommendation The Analyst recommends \$2,100,000 which includes a \$100,000 building block.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$2,000,000	\$2,000,000	\$2,100,000	\$100,000
Beginning Nonlapsing	651,600	558,100	558,100	
Closing Nonlapsing	(558,100)	(558,100)	(558,100)	
Total	\$2,093,500	\$2,000,000	\$2,100,000	\$100,000

Building Block This additional funding will allow the program to fund one more average sized Center of Excellence.

Financing	Analyst
General Fund (Ongoing)	\$100,000
Total	\$100,000

Mission The Centers of Excellence Program commercializes research through university-industry cooperation. It provides matching funds for inter-disciplinary applied research and development done at Utah's universities and colleges. Utah has twenty-two active Centers at four universities and three colleges. The program is modeled after the National Science Foundation's University-Industry Cooperative Research Centers Program which created 25 centers throughout the country.

Activities Center of Excellence granted \$1,905,00 to 17 active centers. The match to state dollars was 10.6 to 1, the highest in the nation.

The following pages show each Center by title and location with a short description of what it is they do. This should give the Legislature a better feel for the Centers of Excellence program. The tables also identify Centers that are new and those that are no longer funded.

	Center	Institution	Description
Active Centers FY 1998	Applied Molecular Genetics	BYU	Transfers DNA technology from research labs to targeted plant and animal industries. Identifies superior breeding stock and increases selection accuracy at a much reduced cost.
	Bioremediation	WSU	Commercializes improved methods for heavy metal removal and recovery from solutions, soils and sediments.

3.10 Business and Economic Development Programs: Centers of Excellence (Continued)

Active Centers FY 1998	Center	Institution	Description
	Coal Processing Technology	UU	Developing a technology base for the development of a fossil resin industry in central Utah, and advanced coal cleaning technologies.
	Developmental and Molecular Biology	USU	Technology to lower protein production costs.
	Electronic Systems Technology	UU	Designs and produces industrial electronic systems.
	Harsh Environment Electronics (formerly Flat Panel Displays)	UU	Patented and patent pending technology to make low cost, high yield individually addressed microminiature thermionic vacuum emitters that collectively do the function of cathode ray tubes and matrix liquid crystal displays Current focus is on circuits and devices for high temperature environments.
	Industrial Imaging	UU	Commercialization of a series of image analytical algorithms in environmental assessment, medical imaging, financial applications and materials science.
	Intelligent Computer Tools	BYU	Intelligent computer tools for digital image composition, digital library creation, and interaction with virtual environments.
	Minerals Technology	UU	Technology to pulverize minerals for extraction, construction aggregates, manufacturing fine powders, and pulverized fuel for electric power generation
	Neural Interfaces	UU	Developing neuroprosthetic systems for partial restoration for the profoundly blind, deaf, or quadriplegics.
	Raman Technology	UU	Commercializing Raman technology for chemical monitoring in industry and medicine. General purpose analytical technique for measuring chemicals in solids, liquids, or gas samples.
	Scientific Computing and Imaging	UU	Commercializing SCIRun Software System, a visually based programming environment that

3.10 Business and Economic Development Programs: Centers of Excellence (Continued)

	Center	Institution	Description
Active Centers (continued)	Self-Organizing Intelligent Systems	USU	Helps businesses develop self-organizing intelligent products.
	Solid Oxide Fuel Cell	UU	Fuel cells that convert natural gas or hydrogen directly into electricity at very high efficiencies.
	Utah Genome Technologies	UU	Technology for large scale DNA sequencing.
New Centers	Asynchronous System and Circuit Design	UU	Developing CAD tools for asynchronous circuit and system design.
	Cell Signaling	UU	Developing the technology for a new types of drugs for asthma, allergy, inflammation and cancer.
Centers No Longer Funded	Advanced Construction Materials	UU	Testing and evaluation for construction materials.
	Advanced Combustion Engineering Research	BYU	Technology for the clean and efficient use of low quality fuels such as coal.
	Application Center for Materials Engineering	BYU	Solves materials related problems for existing Utah companies. Also invents and spins off new or enhanced products.
	Genetic Improvement of Livestock	USU	Developing a commercial genetic marker testing lab. The gene under study develops heavy muscling and reduced fat in sheep.
	Multimedia Education and Technology	UU	Develops and commercializes interactive multimedia CD-ROM for education. Examining virtual reality in education.
	Solvent Separation of Heavy Oils	WSU	Cold solvent surfactant technology that separates heavy oils for commercial use rapidly, with minimal environmental damage, at lower cost.

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3.10 Business and Economic Development Programs: Centers of Excellence (Continued)

Centers of Excellence This table shows state funding and matching funds by type for FY 1998 and
FY 1998 Financials in total.

	State Funding	Cumulative State Funding	FY1998 Federal Match	FY1998 Industry Match	FY1998 Total Match	Cumulative Total Match
App. Molecular Genetics	\$100,000	\$315,000	\$6,000	\$1,146,000	\$1,152,000	\$2,180,740
Asynchronous Circuits	100,000	100,000	2,750,000	20,000	2,770,000	2,770,000
Bioremediation	85,000	175,000		14,745	14,745	1,678,945
Cell signaling	125,000	125,000	4,140,000	634,500	4,774,500	4,774,500
Coal Processing Tech.	125,000	225,000	695,650	375,421	1,071,071	1,389,404
Dev. Molecular Biology	100,000	610,880	175,000	25,000	200,000	1,605,642
Electronic Systems Tech.	125,000	435,000	450,049	50,000	500,049	2,061,724
Genome Technologies	125,000	300,000	1,772,317		1,772,317	7,288,574
Harsh Environ. Electronics	140,000	330,000	110,000	585,000	695,000	1,417,655
Industrial Imaging	110,000	310,000		484,695	484,695	1,245,388
Intelligent Computer Tools	95,000	195,000		609,339	609,339	1,162,769
Minerals Technology	115,000	355,000		50,396	50,396	1,062,288
Neural Interfaces	130,000	310,000	199,637	69,438	269,075	2,651,701
Raman Technology	95,000	220,000	139,791	56,500	196,291	446,291
Sci. Computing & Imaging	135,000	270,000	4,127,500		4,127,500	4,453,314
Self-organizing Intell. Sys.	100,000	635,000	847,000	183,000	1,030,000	2,945,404
Solid Oxide Fuel Cells	100,000	200,000	96,000	295,000	391,000	721,397
Subtotal	\$1,905,000	\$5,110,880	\$15,508,944	\$4,599,034	\$20,107,978	\$39,855,736
Centers not funded in FY 1998						
Graduated Centers		\$17,728,775				\$134,524,176
Distinguished Centers		5,890,440				147,118,784
Subtotal		\$23,619,215				\$281,642,960
Total	\$1,905,000	\$28,730,095	\$15,508,944	\$4,599,034	\$20,107,978	\$321,498,696

3.10 Business and Economic Development Programs: Centers of Excellence (Continued)

Economic Impact This table shows the number of jobs created and the average salary by each Center. The table below shows the number of spin-off and assisted companies, and patents and licenses by Center.

	Center Jobs	Avg. Salary	Industry Jobs	Avg. Salary
App. Molecular Genetics	15	\$27,847		
Asynchronous Circuits	3	57,733		
Bioremediation	7	23,429	2	
Cell signaling	19	73,466	3	\$36,666
Coal Processing Tech.	3	54,210		
Dev. Molecular Biology	13	32,692	4	29,670
Electronic Systems Tech.	13	39,231	3	
Genome Technologies	34	41,645		
Harsh Environ. Electronics	15	23,414	16	31,875
Industrial Imaging	8	53,200		
Intelligent Computer Tools	18	27,973		
Minerals Technology	8	43,934	2	50,000
Neural Interfaces	7	31,429	10	40,750
Raman Technology	3	35,667		
Sci. Computing & Imaging	7	35,286		
Self-organizing Intell. Sys.	19	35,274	7	
Solid Oxide Fuel Cells	9	31,111		
Graduated Centers	618	29,936	488	33,691
Distinguished Centers	287	29,176	524	38,099
Total	1,106	\$31,369	1,047	\$35,961

Economic Impact	Spin-off Companies		Assisted Companies	Patents		Licenses
	New	Cumulative		New	Cumulative	
App. Molecular Genetics			7			
Asynchronous Circuits						
Bioremediation		1	19			
Cell signaling	1	1	1	2		1
Coal Processing Tech.			10			

Dev. Molecular Biology		1	10	2	1	1
Electronic Systems Tech.		2	27	4	1	1
Genome Technologies			1			4
Harsh Environ. Electronics		1	10	2	1	1
Industrial Imaging			37			8
Intelligent Computer Tools			4			2
Minerals Technology	1	1	2			1
Neural Interfaces		1	5		2	2
Raman Technology			35	1		
Sci. Computing & Imaging						
Self-organizing Intell. Sys.	1	2	10		5	3
Solid Oxide Fuel Cells			4	3	1	
Graduated Centers		94	518		52	62
Distinguished Centers		22	191		33	87
Total			126	891	14	96
						173

3.12 Business and Economic Development Programs: Veterans Affairs

Recommendation The Analyst's recommended budget of \$169,100 includes a \$100 reduction for internal service fund rate changes. The Legislature only budgeted for one FTE in this office last session. The FTE has been moved from DBED Administration.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund	\$162,500	\$164,200	\$164,100	(\$100)
Dedicated Credits		5,000	5,000	
Beginning Nonlapsing	39,300	41,500	41,500	
Closing Nonlapsing	(41,500)	(18,500)	(41,500)	(23,000)
Total	\$160,300	\$192,200	\$169,100	(\$23,100)
FTE	2.0	2.0	2.0	

Mission This program helps veterans with counseling on benefits and claims, reviews veterans hiring preference programs, and coordinates with local and federal veterans programs.

Activity The first State Veterans Nursing facility was opened in April 1998. The Director served on the Oversight Advisory Committee during the three year planning process.

The Office helped get a \$410,000 grant from U. S. Housing and Urban Development for the Ogden Homeless Veterans Fellowship.

The first annual Veterans Day Celebration provided by the Salt Palace and

Salt Lake County was organized and held by the office's Patriotism Committee. Speakers included Senator Bennett and Commissioner Overson.

The Office participated in the Third Annual Homeless Veterans "Stand Down" with U. S. Department of Veterans Affairs, Utah Veteran Organizations, Hill Air Force Base, retail and private professionals, LDS Bishop's Storehouse, and the Department of Defense surplus resources.

The Office contributed to and promoted the National Conventions of the Veterans of Foreign Wars, the American Legion, Survivors of the Battleship Utah, all held in Salt Lake City.

The Office produced three publications: Veterans License Plate Sales Information brochure and posters; State Veterans Benefits pamphlet; and Utah Veterans' Services Guide.

They initiated a Telenet program with the VA Medical Center for medical consultations for the Ogden HVF homeless residents.

3.13 Business and Economic Development Programs: Special Opportunities

Recommendation Last session the Legislature budgeted \$50,000 for this program but it has since been reorganized out of existence with the funds diverted to LEDI. No funds were requested for the coming year.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)				
Beginning Nonlapsing				
Closing Nonlapsing				
Total				
FTE				

Mission These funds allow the Division to take advantage of unforeseen economic development opportunities. The Legislature restricted the use of these funds from sports activities since they are delegated to the Department of Administrative Services - Utah Sports Authority.

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4.0 Business and Economic Development Tables

Financing	FY 1995 Actual	FY 1996 Actual	FY 1997 Actual	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst
General Fund (Ongoing)	\$9,808,200	\$8,690,500	\$8,953,100	\$7,519,300	\$7,672,500	\$7,722,600
General Fund (1-time)					350,000	
General Fund Total	\$9,808,200	\$8,690,500	\$8,953,100	\$7,519,300	\$8,022,500	\$7,722,600
Federal	299,300	233,700	306,600	332,700	305,700	300,100
Dedicated Credits	45,100	30,500	28,000	23,700	78,800	78,500
Transfers	40,000	(381,200)			24,400	
Utah Sports Authority						400,000
Beginning Nonlapsing	4,261,300	6,865,400	4,682,500	3,872,000	2,749,400	2,749,400
Closing Nonlapsing	(6,443,100)	(4,726,800)	(3,978,500)	(2,749,400)	(2,726,400)	(2,749,400)
Lapsing		(130,000)				
Total	\$8,010,800	\$10,582,100	\$9,991,700	\$8,998,300	\$8,454,400	\$8,501,200
% Change		32.1%	(5.6%)	(9.9%)	(6.0%)	0.6%

Programs	FY 1995 Actual	FY 1996 Actual	FY 1997 Actual	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst
Administration	\$1,228,800	\$1,003,100	\$1,158,800	\$1,012,900	\$1,180,700	\$830,700
Local Economic Dev.	192,200	248,400	299,400	342,400	150,000	
Film Commission	472,300	584,800	553,100	610,400	645,800	720,500
International Dev.	1,148,500	1,199,300	1,122,800	1,269,500	1,190,000	1,189,200
National Development	544,000	800,300	666,900	663,900	540,600	540,700
Advertising/Promotion	459,600	302,900	306,600	125,300	227,100	627,100
Business Development	801,600	604,500	1,262,300	1,240,700	1,073,000	1,074,400
Small Bus. Dev. Centers		106,500				
Procure. Tech. Assist.	808,700	744,800	851,700	858,500	837,900	832,400

Technology Dev.	330,900	506,700	448,000	620,900	417,100	417,100
Centers of Excellence	1,384,800	3,327,400	2,446,200	2,093,500	2,000,000	2,100,000
Technology Alliance	224,700	737,800	603,300			
Veterans Affairs	144,000	169,400	161,600	160,300	192,200	169,100
Special Opportunities	270,700	246,200	111,000			
Total	\$8,010,800	\$10,582,100	\$9,991,700	\$8,998,300	\$8,454,400	\$8,501,200
% Change		32.1%	(5.6%)	(9.9%)	(6.0%)	0.6%

Expenditures	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Personal Services	\$2,625,700	\$2,869,600	\$2,860,900	\$2,627,400	\$2,981,100	\$2,936,000
Travel	291,300	243,900	277,200	261,900	290,700	277,800
Current Expense	3,349,200	2,766,000	1,941,000	1,969,300	1,831,500	1,986,300
Data Processing	45,600	219,700	54,100	80,400	66,200	63,200
DP Capital	86,600	21,000	39,200	18,700		
Capital Outlay			13,300			
Pass-Through	1,612,400	4,461,900	4,806,000	4,040,600	3,284,900	3,237,900
Total	\$8,010,800	\$10,582,100	\$9,991,700	\$8,998,300	\$8,454,400	\$8,501,200
% Change		32.1%	(5.6%)	(9.9%)	(6.0%)	0.6%

FTE	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Standard	56.7	56.7	51.0	48.0	48.0	48.0
Building Block						
Total	56.7	56.7	51.0	48.0	48.0	48.0
% Change		0.0%	(10.0%)	(5.9%)	0.0%	0.0%

4.1 Business and Economic Development Federal Funds

Program		FY 1998	FY 1999	FY 1999	FY 2000
		Actual	Approp.	Estimated	Analyst
Procurement Outreach	Federal	\$332,700	\$305,700	\$305,700	\$300,100
Defense Logistics	State	522,300	532,200	532,200	532,300
Agency	Total	\$855,000	\$837,900	\$837,900	\$832,400
	Total Federal	\$332,700	\$305,700	\$305,700	\$300,100
	Total State	522,300	532,200	532,200	532,300
	Grand Total	\$855,000	\$837,900	\$837,900	\$832,400

Utah Film Production Revenue

1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
22.8	33.8	37.9	29.3	37.0	89.0	40.2	73.3	95.7	132.2	125.7

	1996	1997	1998
Production Days	2,328	2,449	2,050

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1.0 Asian Affairs

**Total
Recommendation**

Financing	Analyst
General Fund (Ongoing)	\$114,100
Dedicated Credits	5,000
Beginning Nonlapsing	11,000
Closing Nonlapsing	(11,000)
Total	<u>\$119,100</u>
 Programs	
Administration	<u>\$119,100</u>
Total	<u>\$119,100</u>

Function

The Office of Asian Affairs is a liaison and issue coordinator for the Governor. It makes recommendations on broad policy and program issues rather than solving individual problems. It coordinates activities with other minority offices, and reports directly to the Governor's Office.

3.1 Asian Affairs Programs: Administration

Recommendation The Analyst's recommendation of \$119,100 includes an internal service fund adjustment of \$400. Dedicated Credits come from private contributions. Last session the Legislature voted to fund 1.5 FTE rather than the 2 FTE shown in the estimated column. The Analyst's questions the need for each minority office to have a full-time private secretary. For example, the Analyst's office has 15 analysts and 3 secretaries, a ratio of 5 to 1 and believes that the minority offices should share secretarial help. The Analyst's recommendation includes adjusting the FTE count back to 1.5 but does not recommend cutting the budget this year.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$110,700	\$113,700	\$114,100	400
Dedicated Credits		5,000	5,000	
Beginning Nonlapsing	24,000	11,000	11,000	
Closing Nonlapsing	(11,000)	(11,000)	(11,000)	
Total	\$123,700	\$118,700	\$119,100	\$400
FTE	2.0	2.0	1.5	(0.5)

Activity The Office completed and distributed the Asian American Resource Directory.

They assisted the Departments of Ethnic Health, Workforce Services, and the Small Business Administration.

They held four specialized GIFT (Governor's Initiative on Families Today) Conferences for the Vietnamese, Lao/Hmong, and Cambodian communities.

Organized the second annual Asian American Achievement and golden Service Awards Banquet.

They changed the Asian American Advisor newsletter from quarterly to bi-monthly.

The Office helped the Task Force on Racial and Ethnic Fairness.

The worked with the other ethnic offices to develop a strategic work plan.

4.0 Asian Affairs Tables

Financing	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
General Fund (Ongoing)	\$113,400	\$104,600	\$107,800	\$110,700	\$113,700	\$114,100
Dedicated Credits		(100)			5,000	5,000
Beginning Nonlapsing	28,300	27,000	19,300	24,000	11,000	11,000
Closing Nonlapsing	(27,000)	(19,300)	(24,000)	(11,000)	(11,000)	(11,000)
Total	\$114,700	\$112,200	\$103,100	\$123,700	\$118,700	\$119,100
% Change		(2.2%)	(8.1%)	20.0%	(4.0%)	0.3%

Programs	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Administration	\$114,700	\$112,200	\$103,100	\$123,700	\$118,700	\$119,100
Total	\$114,700	\$112,200	\$103,100	\$123,700	\$118,700	\$119,100
% Change		(2.2%)	(8.1%)	20.0%	(4.0%)	0.3%

Expenditures	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Personal Services	\$89,400	\$91,400	\$88,400	\$98,700	\$89,600	\$88,900
Travel	700	2,200	100	200	2,600	2,600
Current Expense	22,900	17,600	11,400	23,500	25,000	26,100
Data Processing	500	1,000	700	1,300	1,500	1,500
DP Capital	1,200					
Capital Outlay						
Pass-Through			2,500			
Total	\$114,700	\$112,200	\$103,100	\$123,700	\$118,700	\$119,100
% Change		(2.2%)	(8.1%)	20.0%	(4.0%)	0.3%

FTE	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Standard	3.0	3.0	3.0	2.0	2.0	1.5
Building Block						
Total	3.0	3.0	3.0	2.0	2.0	1.5
% Change		0.0%	0.0%	(33.3%)	0.0%	(25.0%)

1.0 Polynesian Affairs

**Total
Recommendation**

Financing	Analyst
General Fund (Ongoing)	\$114,000
Dedicated Credits	5,000
Beginning Nonlapsing	19,900
Closing Nonlapsing	(19,900)
Total	<u>\$119,000</u>
 Programs	
Administration	<u>\$119,000</u>
Total	<u>\$119,000</u>

Mission

The Office of Polynesian Affairs is a liaison and issue coordinator for the Governor. It makes recommendations on broad policy and program issues rather than solving individual problems. It coordinates activities with other minority offices, and reports directly to the Governor's Office.

3.1 Polynesian Affairs Programs: Administration

Recommendation The Analyst's recommendation of \$119,000 includes an additional \$100 of internal service fund adjustments. Dedicated Credits come from private contributions. Last session the Legislature voted to fund 1.5 FTE rather than the 2 FTE shown in the estimated column. The Analyst's questions the need for each minority office to have a full-time private secretary. For example, the Analyst's office has 15 analysts and 3 secretaries, a ratio of 5 to 1 and believes that the minority offices should share secretarial help. The Analyst's recommendation includes adjusting the FTE count back to 1.5 but does not recommend cutting the budget this year.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$110,800	\$113,900	\$114,000	\$100
Dedicated Credits		5,000	5,000	
Beginning Nonlapsing	17,600	19,900	19,900	
Closing Nonlapsing	(19,900)	(19,900)	(19,900)	
Total	\$108,500	\$118,900	\$119,000	\$100
FTE	2.0	2.0	1.5	(0.5)

Activity The Director worked with the other ethnic offices do develop the Joint Ethnic Work Plan.

The Sports Award Conference recognized 22 outstanding Polynesian athletes.

The Polynesian Young Achievers recognized 449 students with a 3.0 cumulative GPA (grades 7 through 12), and 25 student body officers.

Six GIFT (Governor's Initiative on Families Today) conferences held.

The Director represented the Polynesian interests on more than 20 commissions, boards, and committees in Criminal Justice, Education, Economic Opportunities, Health and Families.

4.0 Polynesian Affairs Tables

Financing	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
General Fund (Ongoing)	\$97,500	\$104,600	\$108,300	\$110,800	\$113,900	\$114,000
Dedicated Credits	(300)	(600)	(200)		5,000	5,000
Beginning Nonlapsing		1,400	15,400	17,600	19,900	19,900
Closing Nonlapsing	(1,400)	(15,400)	(17,600)	(19,900)	(19,900)	(19,900)
Total	\$95,800	\$90,000	\$105,900	\$108,500	\$118,900	\$119,000
% Change		(6.1%)	17.7%	2.5%	9.6%	0.1%

Programs	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Administration	\$95,800	\$90,000	\$105,900	\$108,500	\$118,900	\$119,000
Total	\$95,800	\$90,000	\$105,900	\$108,500	\$118,900	\$119,000
% Change		(6.1%)	17.7%	2.5%	9.6%	0.1%

Expenditures	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Personal Services	\$68,300	\$73,100	\$77,400	\$87,900	\$91,100	\$90,400
Travel	5,900	2,800	6,900	100	2,800	2,800
Current Expense	20,200	13,000	18,200	18,600	23,400	24,200
Data Processing	300	1,100	900	1,900	1,600	1,600
DP Capital	1,100					
Capital Outlay						
Pass-Through			2,500			
Total	\$95,800	\$90,000	\$105,900	\$108,500	\$118,900	\$119,000
% Change		(6.1%)	17.7%	2.5%	9.6%	0.1%

FTE	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Standard	1.5	3.0	3.0	2.0	2.0	1.5
Building Block						
Total	1.5	3.0	3.0	2.0	2.0	1.5
% Change		100.0%	0.0%	(33.3%)	0.0%	(25.0%)

1.0 Black Affairs

**Total
Recommendation**

Financing	Analyst
General Fund (Ongoing)	\$114,000
Dedicated Credits	5,000
Beginning Nonlapsing	1,600
Closing Nonlapsing	(1,600)
Total	<u>\$119,000</u>
 Programs	
Administration	<u>\$119,000</u>
Total	<u>\$119,000</u>

Mission

The Office of Black Affairs is a liaison and issue coordinator for the Governor. It makes recommendations on broad policy and program issues rather than solving individual problems. It coordinates activities with other minority offices, and reports directly to the Governor's Office.

3.1 Black Affairs Programs: Administration

Recommendation The Analyst's recommendation of \$119,000 includes an additional \$300 for internal service fund adjustments. Dedicated Credits come from private contributions. Last session the Legislature voted to fund 1.5 FTE rather than the 2 FTE shown in the estimated column. The Analyst's questions the need for each minority office to have a full-time private secretary. For example, the Analyst's office has 15 analysts and 3 secretaries, a ratio of 5 to 1 and believes that the minority offices should share secretarial help. The Analyst's recommendation includes adjusting the FTE count back to 1.5 but does not recommend cutting the budget this year.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$110,700	\$113,700	\$114,000	\$300
Dedicated Credits		5,000	5,000	
Beginning Nonlapsing	9,800	1,600	1,600	
Closing Nonlapsing	(1,600)	(1,600)	(1,600)	
Total	\$118,900	\$118,700	\$119,000	\$300
FTE	2.0	2.0	1.5	(0.5)

Activity The Office created a Joint Ethnic Work Plan with the other ethnic offices. The areas of major concern are: access to public service; the criminal justice system; economic opportunities; health; education; discrimination; welfare reform; and diversity training.

The Office held two Black Community Town Meetings.

They recognized outstanding Black youth in academics, leadership and sportsmanship with Young Achiever awards. The Governor's Initiative on Families Today (GIFT)/Young Achievers Conference for the Utah Black Community had 450 participants. Workshops were: Fathering, Adolescent Thoughts, Mothering and "In the House" Issues.

Africa Week was held in collaboration with the African Resources Forum.

The Office sent out 15 Community Alerts, and fielded over 1,400 telephone calls.

4.0 Black Affairs Tables

Financing	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
General Fund (Ongoing)	\$125,900	\$104,600	\$108,000	\$110,700	\$113,700	\$114,000
Dedicated Credits					5,000	5,000
Beginning Nonlapsing	9,400	8,500	6,600	9,800	1,600	1,600
Closing Nonlapsing	(8,500)	(6,600)	(9,800)	(1,600)	(1,600)	(1,600)
Total	\$126,800	\$106,500	\$104,800	\$118,900	\$118,700	\$119,000
% Change		(16.0%)	(1.6%)	13.5%	(0.2%)	0.3%

Programs	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Administration	\$126,800	\$106,500	\$104,800	\$118,900	\$118,700	\$119,000
Total	\$126,800	\$106,500	\$104,800	\$118,900	\$118,700	\$119,000
% Change		(16.0%)	(1.6%)	13.5%	(0.2%)	0.3%

Expenditures	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Personal Services	\$81,200	\$78,500	\$83,200	\$91,200	\$91,100	\$90,400
Travel	11,500	12,400	4,200	100	2,400	2,400
Current Expense	32,100	11,600	13,900	25,600	23,400	24,400
Data Processing	300	4,000	1,000	2,000	1,800	1,800
DP Capital	1,100					
Capital Outlay						
Pass-Through	600		2,500			
Total	\$126,800	\$106,500	\$104,800	\$118,900	\$118,700	\$119,000
% Change		(16.0%)	(1.6%)	13.5%	(0.2%)	0.3%

FTE	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Standard	3.0	3.0	3.0	2.0	2.0	1.5
Building Block						
Total	3.0	3.0	3.0	2.0	2.0	1.5
% Change		0.0%	0.0%	(33.3%)	0.0%	(25.0%)

1.0 Hispanic Affairs

**Total
Recommendation**

Financing	Analyst
General Fund (Ongoing)	\$116,000
Dedicated Credits	5,000
Beginning Nonlapsing	9,500
Closing Nonlapsing	(9,500)
Total	<u>\$121,000</u>
 Programs	
Administration	<u>\$121,000</u>
Total	<u>\$121,000</u>

Mission

The Office of Hispanic Affairs is a liaison and issue coordinator for the Governor. It makes recommendations on broad policy and program issues rather than solving individual problems. It coordinates activities with other minority offices, and reports directly to the Governor's Office.

3.1 Hispanic Affairs Programs: Administration

Recommendation The Analyst's recommendation is \$121,000. Dedicated Credits come from private contributions. Last session the Legislature voted to fund 1.5 FTE rather than the 2 FTE shown in the estimated column. The Analyst's questions the need for each minority office to have a full-time private secretary. For example, the Analyst's office has 15 analysts and 3 secretaries, a ratio of 5 to 1 and believes that the minority offices should share secretarial help. The Analyst's recommendation includes adjusting the FTE count back to 1.5 but does not recommend cutting the budget this year.

Financing	FY 1998	FY 1999	FY 2000	Est/Analyst
	Actual	Estimated	Analyst	Difference
General Fund (Ongoing)	\$113,200	\$116,000	\$116,000	
Dedicated Credits		5,000	5,000	
Beginning Nonlapsing	500	9,500	9,500	
Closing Nonlapsing	(9,500)	(9,500)	(9,500)	
Total	\$104,200	\$121,000	\$121,000	
FTE	2.0	2.0	1.5	(0.5)

Activity The Office helped the State Office of Education with translation in the Eighth Annual Spring Equity Conference.

Organized the Hispanic Governor's Initiative on Families Today (GIFT) bilingual conference in Wendover and Park City.

Helped the State Health Department with the "Health Status Survey on Special Populations."

The Director serves on the Juvenile sub-committee of the Task Force on Racial and Ethnic Fairness in the Judicial System.

4.0 Hispanic Affairs Tables

Financing	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
General Fund (Ongoing)	\$101,900	\$107,700	\$111,000	\$113,200	\$116,000	\$116,000
Dedicated Credits					5,000	5,000
Beginning Nonlapsing	52,700	9,700	4,200	500	9,500	9,500
Closing Nonlapsing	(9,700)	(4,200)	(500)	(9,500)	(9,500)	(9,500)
Total	\$144,900	\$113,200	\$114,700	\$104,200	\$121,000	\$121,000
% Change		(21.9%)	1.3%	(9.2%)	16.1%	0.0%

Programs	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Administration	\$144,900	\$113,200	\$114,700	\$104,200	\$121,000	\$121,000
Total	\$144,900	\$113,200	\$114,700	\$104,200	\$121,000	\$121,000
% Change		(21.9%)	1.3%	(9.2%)	16.1%	0.0%

Expenditures	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Personal Services	\$94,100	\$86,400	\$91,400	\$86,600	\$88,900	\$88,900
Travel	3,000	(900)	2,400	200	2,400	2,400
Current Expense	42,200	26,200	19,900	14,200	26,900	26,900
Data Processing	300	1,500	1,000	2,200	1,800	1,800
DP Capital	3,300					
Capital Outlay						
Pass-Through	2,000			1,000	1,000	1,000
Total	\$144,900	\$113,200	\$114,700	\$104,200	\$121,000	\$121,000
% Change		(21.9%)	1.3%	(9.2%)	16.1%	0.0%

FTE	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Standard	3.0	3.0	3.0	2.0	2.0	1.5
Building Block						
Total	3.0	3.0	3.0	2.0	2.0	1.5
% Change		0.0%	0.0%	(33.3%)	0.0%	(25.0%)

1.0 Indian Affairs**Total
Recommendation**

Financing	Analyst
General Fund (Ongoing)	\$205,600
Dedicated Credits	5,000
Beginning Nonlapsing	28,900
Closing Nonlapsing	(28,900)
Total	\$210,600
Programs	
Administration	\$210,600
Total	\$210,600

Mission

The Office of Indian Affairs is a liaison and issue coordinator for the Governor. It serves as staff to the Intertribal Council which represents the federally recognized tribes in the state (Ute, Northwest Band of Shoshone, Paiute, Goshute, and Navajo) before the State. An Outreach Subcommittee represents urban Indians. The Office staffs the Native American Remains Review Committee.

The Navajo Trust Fund is administered by the Department of Administrative Services.

3.1 Indian Affairs Programs: Administration

Recommendation The Analyst recommends \$210,600. Dedicated Credits are from private contributions.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$230,700	\$205,600	\$205,600	
General Fund (1-time)		300,000		(300,000)
General Fund Total	\$230,700	\$505,600	\$205,600	(\$300,000)
Dedicated Credits		5,000	5,000	
Beginning Nonlapsing	8,500	28,900	28,900	
Closing Nonlapsing	(28,900)	(28,900)	(28,900)	
Total	\$210,300	\$510,600	\$210,600	(\$300,000)
FTE	3.0	3.0	3.0	

Activities: More than 138 attended the First Annual Tribal Economic Development Summit.

A feasibility study (RFP) for the Circle of Wellness Project was completed by Wikstrom Economic & Planning Consultants, Inc. and Brixen & Christopher Architects. Incorporation of a nonprofit organization is nearing completion. Initial funding for planning, acquisition, and development comes from \$300,000 appropriated from S.B. 44.

A nationwide Indian organization, Native American 2002 Foundation, Inc has been established to work with the Salt Lake Organization Committee to help with Native American participation in the 2002 Olympic Winter Games.

The Division entered into a partnership with the Utah State Library as part of a five state collaborative effort to encourage the development of museums, libraries, and information services within Utah's eight tribes. Funding opportunities are expected to come from the Institute of Museums and Library Services Program. The Division believes that this will help with tourism.

The Division organizes the annual Utah Tribal Leaders meeting with the Governor and Caucus with the Legislature.

The Division participated in the Sovereign Lending Workshop and became a member of the Federal Reserve Bank of San Francisco's Sovereign Lending Task Force.

The Division conducted five Tribal Leaders' Meetings and four Native American Remains Review Committee meetings.

Legislative Fiscal Analyst

4.0 Indian Affairs Tables

Financing	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
General Fund (Ongoing)	\$174,700	\$189,000	\$195,900	\$230,700	\$205,600	\$205,600
General Fund (1-time)					300,000	
General Fund Total	\$174,700	\$189,000	\$195,900	\$230,700	\$505,600	\$205,600
Dedicated Credits					5,000	5,000
Beginning Nonlapsing	38,600	10,900	1,300	8,500	28,900	28,900
Closing Nonlapsing	(10,900)	(1,300)	(8,500)	(28,900)	(28,900)	(28,900)
Total	\$202,400	\$198,600	\$188,700	\$210,300	\$510,600	\$210,600
% Change		(1.9%)	(5.0%)	11.4%	142.8%	(58.8%)

Programs	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Administration	\$202,400	\$198,600	\$188,700	\$210,300	\$510,600	\$210,600
Total	\$202,400	\$198,600	\$188,700	\$210,300	\$510,600	\$210,600
% Change		(1.9%)	(5.0%)	11.4%	142.8%	(58.8%)

Expenditures	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Personal Services	\$132,800	\$133,400	\$155,300	\$147,000	\$169,200	\$164,400
Travel	27,500	27,400	11,000	8,700	10,600	10,600
Current Expense	40,100	34,000	19,000	28,000	24,000	28,800
Data Processing	600	3,600	900	2,000	1,800	1,800
DP Capital	1,400	200				
Capital Outlay						
Pass-Through			2,500	24,600	305,000	5,000
Total	\$202,400	\$198,600	\$188,700	\$210,300	\$510,600	\$210,600
% Change		(1.9%)	(5.0%)	11.4%	142.8%	(58.8%)

FTE	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Standard	2.0	2.0	3.0	3.0	3.0	3.0
Building Block						
Total	2.0	2.0	3.0	3.0	3.0	3.0
% Change		0.0%	50.0%	0.0%	0.0%	0.0%

1.0 Martin Luther King Commission**Total
Recommendation**

Financing	Analyst
General Fund (Ongoing)	\$25,000
Beginning Nonlapsing	27,100
Closing Nonlapsing	(27,100)
Total	<u>\$25,000</u>
Programs	
Martin Luther King Commission	<u>\$25,000</u>
Total	<u>\$25,000</u>

Mission

The Martin Luther King Commission promotes the National Human Rights Holiday celebration.

3.1 Martin Luther King Commission Programs: Administration

Recommendation The Analyst recommends a \$25,000 budget. Officially, this budget shows no FTE's from FY 1994 through FY 1997. The FY 1998 budget shows a part-time employee. No budget increase has been requested and the Analyst does not recommend increasing the budget or the FTE count. The transfer funds shown in FY 1999 were one-time.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$25,000	\$25,000	\$25,000	
Transfers		10,000		(\$10,000)
Beginning Nonlapsing	40,100	27,100	27,100	
Closing Nonlapsing	(27,100)	(27,100)	(27,100)	
Total	\$38,000	\$35,000	\$25,000	(\$10,000)
FTE	0.6	0.6		(0.6)

Mission The Martin Luther King Commission promotes the National Human Rights Holiday celebration and advances the principles of non-violence through education and training.

Activity A speakers bureau was organized and speeches were presented to 800 people. They distributed over 2,000 brochures and started a library of 200 books, videos, posters and educational materials that are available to the public.

The State Commission is a voting member of the National Commission. The first National Conference of the National Organization will be in Salt Lake City in the spring of 1999.

4.0 Martin Luther King Commission Tables

Financing	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
General Fund (Ongoing)		\$25,200	\$25,200	\$25,000	\$25,000	\$25,000
Beginning Nonlapsing			22,100	40,100	27,100	27,100
Closing Nonlapsing		(22,200)	(40,100)	(27,100)	(27,100)	(27,100)
Total		\$3,000	\$7,200	\$38,000	\$35,000	\$25,000
% Change			140.0%	427.8%	(7.9%)	(28.6%)

Programs	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
M. L. King Commission		\$3,000	\$7,200	\$38,000	\$35,000	\$25,000
Total		\$3,000	\$7,200	\$38,000	\$35,000	\$25,000
% Change			140.0%	427.8%	(7.9%)	(28.6%)

Expenditures	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Personal Services				\$28,900		
Travel			\$600	900	\$2,300	\$300
Current Expense		\$3,000	6,600	7,700	32,200	24,600
Data Processing				500	500	100
DP Capital						
Capital Outlay						
Pass-Through						
Total		\$3,000	\$7,200	\$38,000	\$35,000	\$25,000
% Change			140.0%	427.8%	(7.9%)	(28.6%)

FTE	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Standard				0.6	0.6	
Building Block						
Total				0.6	0.6	
% Change					0.0%	(100.0%)

1.0 Travel Council

**Total
Recommendation**

Financing	Analyst
General Fund (Ongoing)	\$3,923,000
Dedicated Credits	261,300
Transportation	118,000
Utah Sports Authority	500,000
Total	<u>\$4,802,300</u>
 Programs	
Administration	\$237,200
Destination Development	
Internal Development	1,812,500
External Development	827,400
Research and Planning	276,000
Advertising	1,649,200
Total	<u>\$4,802,300</u>

Mission

The Division develops the State's economy through tourism.

2.0 Travel Council Budget Highlights

Recommendation The Analyst recommends no funding for the Destination Development Program.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$63,600	\$88,600		(\$88,600)
GFR-Mineral Lease	100,000			
Total	\$163,600	\$88,600		(\$88,600)
FTE	0.3			

The table below shows the program overhead and the grants given out in dollars from FY 1997 to FY 1999.

	FY 1997 Actual	FY 1998 Actual	FY 1999 Approp.	FY 1999 Estimated
Overhead	\$47,000	\$32,200	\$55,500	\$38,600
Grants	112,100	131,400	99,500	50,000
	\$159,100	\$163,600	\$155,000	\$88,600

The Program began in FY 1997, and had grants of 112,000 with overhead of \$47,000. In the current year, FY 1999, the agency has cut the program almost in half from what the Legislature appropriated and reduced grants to \$50,000 with overhead of \$38,600.

So much overhead for so little in grant funds nominate this program for elimination on the basis of inefficiency. However, it has another problem called vertical revenue sharing. The Analyst believes that the program funds local initiatives that should be funded with local funds. Revenue sharing is using state funds for local purposes and it's unconstitutional. Article 13, Section 5 starts out:

The Legislature shall not impose taxes for the purpose of any county, city, town or other municipal corporation...

Certainly there may be times when state and local purposes overlap. The Analyst does not believe that this is one of those cases. Examples are shown in the "Grants for the Last Two Years" in Section 3.

2.0 Travel Council Budget Highlights

Building Block: Two-and-a-half years before the 1996 Olympic Summer Games the State of Georgia formed a public-private partnership called Operation Legacy. The mission was to recruit targeted companies using the Olympics as a showcase.

Advertising Increase Georgia also budgeted \$9,000,000 for an advertising campaign designed to establish and enhance Georgia's image and improve travel and tourism. Georgia tourism this year is more than double what it was in 1994.

The Analyst recommends \$500,000 for similar use from the Sports Authority Fund. This fund was set up to finance Olympic facilities. The source of the funds will generate more than is authorized. This recommendation uses the surplus.

Financing	Analyst
Utah Sports Authority	<u>\$500,000</u>
Total	<u><u>\$500,000</u></u>

3.1 Travel Council Programs: Administration

Recommendation The Analyst's recommended budget of \$237,200 is equal to the agency's request.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$240,600	\$236,700	\$237,200	\$500
Total	\$240,600	\$236,700	\$237,200	\$500
FTE	2.5	2.5	2.5	

Mission Administration provides leadership and financial, accounting, and personnel services to the rest of the Division. The Board is paid from this budget.

Previous Intent S. B. 1, Item 107:

It is the intent of the Legislature that the Travel Council examine the viability of travel regions, take appropriate action, and report to the Economic Development and Human Resources Appropriations Subcommittee in the next general session.

Compliance: Unfortunately, a lot of the regional people did not take this as an opportunity to take a fresh look at the system and make improvements but as a threat to their jobs. The results were unproductive.

Activity The Division developed a long range strategic plan that they have used to redo their advertising strategy and do their zero-based budgeting exercise. The plan is designed to be continuously updated so that it is always relevant.

They negotiated an agreement with UDOT for improved administration of Utah's five gateway Welcome Center /Rest Areas.

3.2 Travel Council Programs: Destination Development

Recommendation The Analyst recommends no funding for the Destination Development Program.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$63,600	\$88,600		(\$88,600)
GFR-Mineral Lease	100,000			
Total	\$163,600	\$88,600		(\$88,600)
FTE	0.3			

The table below shows the program overhead and the grants given out in dollars from FY 1997 to FY 1999.

	FY 1997 Actual	FY 1998 Actual	FY 1999 Approp.	FY 1999 Estimated
Overhead	\$47,000	\$32,200	\$55,500	\$38,600
Grants	112,100	131,400	99,500	50,000
	\$159,100	\$163,600	\$155,000	\$88,600

The Program began in FY 1997, and had grants of 112,000 with overhead of \$47,000. In the current year, FY 1999, the agency has cut the program almost in half from what the Legislature appropriated and reduced grants to \$50,000 with overhead of \$38,600.

So much overhead for so little in grant funds nominate this program for elimination on the basis of inefficiency. However, it has another problem called vertical revenue sharing. The Analyst believes that the program funds local initiatives that should be funded with local funds. Revenue sharing is using state funds for local purposes and it's unconstitutional. Article 13, Section 5 starts out:

The Legislature shall not impose taxes for the purpose of any county, city, town or other

municipal corporation...

Certainly there may be times when state and local purposes overlap. The Analyst does not believe that this is one of those cases. Examples are shown in the "Grants for the Last Two Years" shown below.

Mission This program develops rural tourism attractions and facilities.

3.2 Travel Council Programs: Destination Development (continued)

The Analyst has included a listing of all the grants made in the last two years so that Legislators can get a better feeling for the type of grants made a see if there is vertical revenue sharing.

Grants for the Last Two Years	Recipient	Project	Grant
	Rich County Bear River RC&D	Ranch/B&B feasibility study.	\$10,000
	Weber County	Wheeler Creek Trail Head staging area bike and trail signage, ski trail grooming.	21,500
	Grand County	Sand Flats visitor management infrastructure, installation and administrative support.	60,000
	Cache County	Festival of the American West feasibility study and master plan for permanent site and extended run.	100,000
	Carbon County	Nine Mile Canyon visitor management facility infrastructure.	20,000
	San Juan County	Westwater Canyon "Base to Camp Adventure" theme.	18,000
	Tooele County Confederated Tribes of the Goshute Indian Reservation	Ferguson Springs (Ibahpah) Feasibility study for overnight facility, eco-toursim lodge dedicated to goshawk activities.	\$15,000
	Utah County	The Living Planet Feasibility study for aquarium entertainment/education complex.	10,000

Carbon County	Helper Intermountain Theatre Product packaging and marketing for 97/98 season.	12,000
Grand County	Canyonlands Airport Expansion New terminal building and hangar for commercial carrier.	25,000
Garfield and Kane Counties	Grand Staircase/Escalante Canyon National Monument. State employee on the BLM monument planning team.	75,000
Summit County	East Summit County feasibility assessment. Comprehensive planning process.	20,000

3.3 Travel Council Programs: Internal Development

Recommendation The Analyst's recommendation of \$1,812,500 includes a reduction of \$3,000 for internal service fund rate adjustments. The appropriation for FY 1999 was \$1,600,600 in General Fund. The FY 1999 estimate of \$1,434,900 represents a priority shift by the Division as they moved funds to other priorities.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$1,669,300	\$1,434,900	\$1,433,200	(\$1,700)
Dedicated Credits	263,600	261,900	261,300	(600)
Transportation	118,000	118,000	118,000	
Beginning Nonlapsing	10,600	37,100		(37,100)
Closing Nonlapsing	(37,100)			
Total	\$2,024,400	\$1,851,900	\$1,812,500	(\$39,400)
FTE	10.0	9.9	9.9	

Mission This program oversees the Welcome Centers, information services, travel publications, and publicity.

Activity The Division published:

- ♦ Utah! Travel Guide
- ♦ 1998 Utah Scenic Calendar
- ♦ Utah State Capitol Building
- ♦ A Brief Look at Utah's Wonders

And assisted the Bed and Breakfast Inns of Utah, Incorporated in publishing a guide.

They administer a photo library that loaned more than 2,000 slides for travel promotional to travel writers, tour operators, conventions, and seminars.

The Division has contracted with Utah Correctional Industries to answer incoming calls and reports a vast improvement in response and service. Since going on-line in January 1, 1998, UCI has answered 52,000 calls.

The Division shipped out more than 200,000 fulfillment pieces.

The website had per month: 5.8 million hits, 690,350 page views, and 145,163 unique page views.

Welcome Center visitors

Brigham City	158,028
Echo	261,190
Jensen	64,026
Thompson Springs	122,382
St. George	181,376
Total	<u>787,002</u>

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Legislative Fiscal Analyst

3.4 Travel Council Programs: External Development

Recommendation The Analyst recommends a budget of \$827,400. The appropriation for FY 1999 was \$644,800. The Division has reevaluated and moved more than \$182,000 into this program. The Analyst's recommendation continues that emphasis and is equal to the agency's request.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$560,300	\$750,100	\$827,400	\$77,300
Total	\$560,300	\$750,100	\$827,400	\$77,300
FTE	4.0	4.0	4.0	

Mission This Program manages the national and international travel development programs.

Activity The Division has restructured all international contracts so that they will be more project oriented. Contracts are in place in Argentina, Benelux countries, France, Germany, Italy, Japan, Korea, Mexico, Switzerland, and the United Kingdom.

Division personnel represented Utah at trade shows and conducted trade missions focusing on Germany, Switzerland, Brazil, Argentina, United Kingdom, Italy, France, Korea, Japan, Canada and the USA via the National Tour Association.

The sponsored the Rocky Mountain Symposium, an intermountain region trade show where Utah tourism suppliers met with qualified international buyers.

The Division targeted these publications to write articles about Utah: *Travel & Leisure*, *Conde Nast Traveler*, *National Geographic Traveler*, *Travel Holiday*, *New York times*, *Wall Street Journal*, *Mountain Sports & Living*, *Audubon*, *Field & Stream*, *Gourmet*, and *Bon Appetit*. *Sunset* and *Via* (the regional AAA monthly) regularly publish Utah stories.

Media Relations arranged 30 media tours involving 100 U.S. and international journalists resulting in:

- ♦ Lufthansa Airlines in-flight video on Park City area resorts, Sundance film festival, and Olympic venues.
- ♦ Anyplace Wild TV show on Green River rafting
- ♦ Trailside TV show on Moab-area camping, hiking and desert ecology
- ♦ A chapter in a National Geographic travel guide series.

3.4 Travel Council Programs: External Development (continued)

- ♦ A Northern Utah ski resort and Olympic venues stories in German, Austria, French and Belgian newspapers.
- ♦ Almost monthly coverage in *Sunset* magazine.

Instate Communications:

- ♦ Participated in 13 live radio shows throughout the state.
- ♦ Expanded the Division's Internet web site.
- ♦ Updated a voice mailbox with a calendar of events used by radio stations and available to the public.
- ♦ Organized an Olympic Media Summit for more than 100 reporters.
- ♦ Represented the Division in local speaking engagements.
- ♦ Wrote a feature article for Utah Business Magazine discussing Utah's Top 10 Economic Destinations.

3.5 Travel Council Programs: Research and Planning

Recommendation The Analyst's recommendation of \$276,000 represents an increase of \$94,200 over last session's appropriation and is equal to the request.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$209,700	\$275,700	\$276,000	\$300
Total	\$209,700	\$275,700	\$276,000	\$300
FTE	2.0	2.0	2.0	

Mission The Program researches public attitudes toward Utah tourism.

Activity They publish the quarterly Travel Barometer, and the 1998 State and County Economic and Travel Indicator Profiles.

They developed detailed information on international and domestic visitors that shows state and city of origin, length of stay, expenditure information,

visitor demographics, purpose of stay, activities, regions visited and more.

The Summer Conversion Study gives information about people who requested the Utah Travel Guide.

By request, they repeated the Transient Room Tax by County study.

3.6 Travel Council Programs: Advertising

Recommendation The Analyst recommends a budget of \$1,694,500 which includes a building block of \$500,000 explained below.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$1,100,800	\$1,140,000	\$1,149,200	\$9,200
Utah Sports Authority			500,000	500,000
Transfers		100,000		(100,000)
Total	\$1,100,800	\$1,240,000	\$1,649,200	\$409,200

Mission This program contracts Travel Council advertising campaigns through local advertising agencies.

Building Block: Two-and-a-half years before the 1996 Olympic Summer Games the State of

Advertising Increase Georgia formed a public-private partnership called Operation Legacy. The mission was to recruit targeted companies using the Olympics as a showcase.

Georgia also budgeted \$9,000,000 for an advertising campaign designed to establish and enhance Georgia's image and improve travel and tourism. Georgia tourism this year is more than double what it was in 1994.

The Analyst recommends \$500,000 for similar use from the Sports Authority Fund. This fund was set up to finance Olympic facilities. The source of the funds will generate more than is authorized. This recommendation uses the surplus.

Financing	Analyst
Utah Sports Authority	<u>\$500,000</u>
Total	<u><u>\$500,000</u></u>

Activity

The Division is targeting men and women, 25-54, married with children, living in the western U. S. with household incomes of \$50,000+. The secondary target is the same people living in the rest of the country and abroad.

Based on Division conversion studies, a quarter of all respondents saw an ad, requested information about Utah and then visited Utah. Based on an average stay of 4.4 days, average party size of three persons and \$70 per person per day, visitor spending due to advertising was \$45,239,000 and return on investment per advertising dollar is \$30.40.

3.6 Travel Council Programs: Advertising

Media Relations arranged 30 media tours involving 100 U.S. and international journalists resulting in:

- ♦ Lufthansa Airlines in-flight video on Park City area resorts, Sundance film festival, and Olympic venues.
- ♦ Anyplace Wild TV show on Green River rafting
- ♦ Trailside TV show on Moab-area camping, hiking and desert ecology
- ♦ A chapter in a National Geographic travel guide series.
- ♦ A Northern Utah ski resort and Olympic venues

stories in German, Austria, French and Belgian newspapers.

- ♦ Almost monthly coverage in *Sunset* magazine.

Instate Communications:

- ♦ Participated in 13 live radio shows throughout the state.
- ♦ Expanded the Division's Internet web site.
- ♦ Updated a voice mailbox with a calendar of events used by radio stations and available to the public.
- ♦ Organized an Olympic Media Summit for more than 100 reporters.
- ♦ Represented the Division in local speaking engagements.
- ♦ Wrote a feature article for Utah Business Magazine discussing Utah's Top 10 Economic Destinations.

4.0 Travel Council Tables

Financing	FY 1995 Actual	FY 1996 Actual	FY 1997 Actual	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst
General Fund (Ongoing)	\$3,750,800	\$3,900,200	\$3,792,000	\$3,844,300	\$3,926,000	\$3,923,000
Dedicated Credits	216,300	242,100	290,500	263,600	261,900	261,300
Transportation	118,000	118,000	118,000	118,000	118,000	118,000
GFR-Mineral Lease		100,000	100,000	100,000		
Beginning Nonlapsing	29,500	273,500	44,200	10,600	37,100	
Closing Nonlapsing	(273,500)	(44,200)	(10,600)	(37,100)		
Total	\$3,841,100	\$4,589,600	\$4,334,100	\$4,299,400	\$4,443,000	\$4,802,300
% Change		19.5%	(5.6%)	(0.8%)	3.3%	8.1%

Programs	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Administration	\$220,900	\$177,800	\$220,100	\$240,600	\$236,700	\$237,200
Destination Development			159,100	163,600	88,600	
Internal Development			1,944,100	2,024,400	1,851,900	1,812,500
External Development			584,100	560,300	750,100	827,400
Research and Planning		108,200	129,500	209,700	275,700	276,000
Advertising		1,354,000	1,297,200	1,100,800	1,240,000	1,649,200
Pre-reorganization	3,620,200	2,949,600				
Total	\$3,841,100	\$4,589,600	\$4,334,100	\$4,299,400	\$4,443,000	\$4,802,300
% Change		19.5%	(5.6%)	(0.8%)	3.3%	8.1%

Expenditures	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Personal Services	\$674,200	\$765,800	\$889,900	\$918,300	\$897,800	\$910,800
Travel	52,400	47,100	56,800	72,400	106,300	80,600
Current Expense	2,842,800	3,302,500	3,018,200	2,859,800	3,066,700	3,525,800
Data Processing	14,000	67,800	29,200	33,600	20,100	20,100
DP Capital	27,200	12,900				
Capital Outlay						
Pass-Through	230,500	393,500	340,000	415,300	352,100	265,000
Total	\$3,841,100	\$4,589,600	\$4,334,100	\$4,299,400	\$4,443,000	\$4,802,300
% Change		19.5%	(5.6%)	(0.8%)	3.3%	8.1%

FTE	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Standard	19.0	18.6	20.0	19.0	18.6	18.6
Building Block						
Total	19.0	18.6	20.0	19.0	18.6	18.6
% Change		(2.1%)	7.5%	(5.0%)	(2.1%)	0.0%

1.0 Utah State Historical Society

**Total
Recommendation**

Financing	Analyst
Federal	\$80,500
Dedicated Credits	243,100
Beginning Nonlapsing	149,600
Closing Nonlapsing	(149,600)
Total	<u>\$323,600</u>
 Programs	
Utah State Historical Society	<u>\$323,600</u>
Total	<u>\$323,600</u>

Mission

The Utah State Historical Society and the Division of State History were established in statute at the same time. The Society is the Division of State History's fund raising arm. They solicit gifts and grants, operate the bookstore, sell the Utah State Historical Quarterly Journal and Society memberships. They participate in historical commemorations.

3.1 Utah State Historical Society Programs: Administration

Recommendation The Analyst's recommended budget of \$323,600 has an addition of \$2,200 for internal service fund adjustments and no General Fund .

Financing	FY 1998	FY 1999	FY 2000	Est/Analyst
	Actual	Estimated	Analyst	Difference
Federal	\$2,000	\$75,600	\$80,500	\$4,900
Dedicated Credits	\$225,600	241,800	243,100	1,300
Beginning Nonlapsing	104,200	149,600	149,600	
Closing Nonlapsing	(149,600)	(149,600)	(149,600)	
Total	\$182,200	\$317,400	\$323,600	\$6,200
FTE	2.0	2.0	2.0	

Mission The Utah State Historical Society is established as a separate entity in the Utah Code but it is inseparably linked to the Division of State History. The Division has some administrative and accounting responsibilities for the Society.

Performance With the addition of cost accounting, the Division is able to track expenditures and revenues on about 40 different activities. They have discovered that the Division subsidized membership by paying part of the costs. They are recovering by aggressively marketing memberships, which increased last year by about one-third.

Activity The Society increased membership 15% to 3,100 members.

This year they published a centennial history of the Society.

4.0 Utah State Historical Society Tables

Financing	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Federal	\$33,100	\$2,000		\$2,000	\$75,600	\$80,500
Dedicated Credits	350,100	305,500	205,100	225,600	241,800	243,100
Beginning Nonlapsing	68,700	10,200	86,700	104,200	149,600	149,600
Closing Nonlapsing	(10,100)	(86,700)	(104,200)	(149,600)	(149,600)	(149,600)
Total	\$511,800	\$231,000	\$187,600	\$182,200	\$317,400	\$323,600
% Change		(54.9%)	(18.8%)	(2.9%)	74.2%	2.0%

Programs	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Utah State Hist. Society	\$511,800	\$231,000	\$187,600	\$182,200	\$317,400	\$323,600
Total	\$511,800	\$231,000	\$187,600	\$182,200	\$317,400	\$323,600
% Change		(54.9%)	(18.8%)	(2.9%)	74.2%	2.0%

Expenditures	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Personal Services	\$165,300	\$79,400	\$73,800	\$92,500	\$61,200	\$61,400
Travel	7,400	(400)	3,800	5,700	21,000	21,000
Current Expense	339,100	149,600	104,600	74,300	190,700	224,300
Data Processing		900	1,100	12,800	19,500	12,200
DP Capital		1,500				
Capital Outlay						
Pass-Through			4,300	(3,100)	25,000	4,700
Total	\$511,800	\$231,000	\$187,600	\$182,200	\$317,400	\$323,600
% Change		(54.9%)	(18.8%)	(2.9%)	74.2%	2.0%

FTE	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Standard	6.3	6.3	2.0	2.0	2.0	2.0
Building Block						
Total	6.3	6.3	2.0	2.0	2.0	2.0
% Change		0.0%	(68.0%)	0.0%	0.0%	0.0%

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4.1 Utah State Historical Society Federal Funds

Program		FY 1998 Actual	FY 1999 Approp.	FY 1999 Estimated	FY 2000 Analyst
Administration	Federal	\$2,000	\$75,600	\$75,600	\$80,500
Department of the Interior	State				
National Park Service	Total	\$2,000	\$75,600	\$75,600	\$80,500
	Total Federal	\$2,000	\$75,600	\$75,600	\$80,500
	Total State				
	Grand Total	\$2,000	\$75,600	\$75,600	\$80,500

1.0 State History

**Total
Recommendation**

Financing	Analyst
General Fund (Ongoing)	\$1,850,100
Federal	553,000
Beginning Nonlapsing	623,500
Closing Nonlapsing	(623,500)
Total	<u>\$2,403,100</u>
Programs	
Administration	\$563,100
Collections & Education	634,800
History Publications	119,800
Office of Preservation	870,500
History Projects	214,900
Total	<u>\$2,403,100</u>

Mission

The Division promotes all things related to Utah's history except paleontology which belongs to Natural Resources. It maintains a research library, marks and preserves historic sites, provides museum services for historic and prehistoric artifacts, and it edits and publishes historical records, journals and books. It operates the State's historic preservation office in compliance with federal regulations and helps other state agencies manage historic, anthropologic, and archaeological resources.

3.1 State History Programs: Administration

Recommendation The Analyst's recommended budget of \$563,100 includes a \$3,400 internal service fund adjustment.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$555,900	\$559,700	\$563,100	\$3,400
Total	\$555,900	\$559,700	\$563,100	\$3,400
FTE	3.0	3.0	3.0	

Mission Administration provides leadership and financial, accounting, purchasing, data processing, facility management, reception, publication, and personnel services to the rest of the Division. The Board is paid from this budget.

3.2 State History Programs: Collections & Education

Recommendation The Analyst again recommends the same budget as last year, \$634,800 in General Fund.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$661,400	\$634,800	\$634,800	
Total	\$661,400	\$634,800	\$634,800	
FTE	13.0	13.0	13.0	

Mission This program is divided into three areas; Collections; Preservation and Display; and Education and Public Relations.

Collections maintains a specialized public research library with books, periodicals, manuscripts, newspapers, maps, unpublished papers, private archives, several thousand feet of personal papers and letters, photoprints, 500,000 photographs, slides, motion pictures, film strips, video, art, and graphic materials.

Preservation and Display cares for the Division's teaching and research collections which are used in teaching kits and traveling exhibits.

Education and Public Relations prepares features for printed media and radio, runs the History Outreach and School Programs, and plans the Society's annual meeting.

Activity Added 9,328 books, manuscripts, historic photographs, artifacts to collections.

Served more than 8,000 researchers.

Nearly 70,000 people visited the Society's exhibits.

Over 3,100 students used the educational teaching kits.

28 grants to state and local organizations supported heritage projects.

Performance

Measures

	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
# of Researchers	6,436	9,124	8,587	7,023	8,272	7,970
Gift & Book Sales		\$49,200	\$69,930	\$73,800	\$59,600	\$60,000
Museum Visitors	48,385	50,362	45,773	75,343	80,587	

3.3 State History Programs: History Publications

Recommendation The Analyst recommends a budget of \$119,800 in General Fund.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$119,000	\$119,800	\$119,800	
Total	\$119,000	\$119,800	\$119,800	
FTE	2.0	2.0	2.0	

Mission This program is the publishing arm of the Division. Its most esteemed product is the Utah Historical Quarterly. Started in 1928, it is the Divisions oldest activity.

The Division believes that the State publishes professional journals because the market is too weak to support private publication. They feel that the publications are a valuable contribution to the quality of life in Utah. Proceeds go to the Utah State Historical Society, a separate line item.

Performance Measures

	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
Subscribers	2,817	2,983	2,941	2,705	2,119	2,916

3.4 State History Programs: Office of Preservation

Recommendation The Analyst recommends a budget of \$317,500 in General Fund and \$553,000 in Federal Funds totaling \$870,500.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$250,200	\$317,500	\$317,500	
Federal	549,700	553,000	553,000	
Total	\$799,900	\$870,500	\$870,500	
FTE	15.0	15.0	15.0	

Mission The Program runs the Division's Antiquities Section and both State and Federal Historic Preservation Programs. It issues archeological work permits for State lands and maintains a cultural sites data base.

Pass-through funds go to historic preservation committees created by the 75 Certified Local Governments. Funds are spent on historic building feasibility studies, working drawings, and construction; Archeological or historic surveys leading to nominations to the National Register of Historic Places which makes properties eligible for 20% State and Federal investment tax credits but provides no protection; Production of heritage tourism and heritage education plans and printed materials. Occasionally small amounts of funds are allocated to one-time projects directed to Heritage Tourism, Heritage Education, or resource management and protection.

Activity Thirty-six properties were listed on the National Register of Historic Places.

Ninety-seven historic buildings benefited from state and federal preservation tax credits.

Sixty rehabilitation projects used historic preservation grant programs.

**Performance
Measures**

	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998
Buildings Restored		46	51	82	88	170
Fed. Investment tax projects	4,131,918	6,061,709	297,378	381,486	2,727,529	
Fed. Review & Compliance Cases		3,201	3,061	3,408	3,395	3,003

Legislative Fiscal Analyst

3.5 State History Programs: History Projects

Recommendation The Analyst recommends a budget of \$214,900.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$359,900	\$214,900	\$214,900	
Beginning Nonlapsing	492,700	623,500	623,500	
Closing Nonlapsing	(623,500)	(623,500)	(623,500)	
Total	\$229,100	\$214,900	\$214,900	

Mission This Program funds the Utah State History Fair, the Utah Heritage Foundation, the Centennial History Writing Project and the County Centennial Writing Projects.

Activity Also several years behind schedule is the State funded County Centennial Histories with 15 of the 29 volumes completed by the end of the fiscal year.

Last session the Analyst reported that the State funded County Centennial Histories project, which was due by the Centennial, had only completed 15 of 29 volumes. The Legislature passed the following intent:

It is the intent of the Legislature that the County Centennial Histories Project be completed by June 30, 1999. All funds allocated to that project remaining at that time shall lapse to the General Fund.

The Division expects that all the county histories will be completed by the June 30, 1999 deadline, although two will be close.

The Utah Heritage Foundation is a private non-profit corporation that

promotes historic preservation and historic education programs. It serves as a clearing house for The Utah Centennial Writing Program, a contractual agreement between the Division and five authors and one editor to write a history of Utah. This is not the County Centennial History Writing Project. It is a \$200,000 project to write a multi-volume and single volume official State History. The project was begun in 1987 and is funded with approximately \$15,000 per year. The first volume has been published. Years behind schedule, the set was to be completed during the Centennial.

New Intent

The Analyst recommends the following intent:

It is the intent of the Legislature that the Utah Centennial Writing Program be completed by June 30, 1999. All funds allocated to that project remaining at that time shall lapse to the General Fund.

4.0 State History Tables

Financing	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
General Fund (Ongoing)	\$1,815,300	\$1,688,700	\$1,760,600	\$1,946,400	\$1,846,700	\$1,850,100
Federal	515,900	526,500	527,400	549,700	553,000	553,000
Dedicated Credits		1,600	21,000			
Beginning Nonlapsing	491,600	668,700	523,900	492,700	623,500	623,500
Closing Nonlapsing	(668,600)	(523,900)	(538,100)	(623,500)	(623,500)	(623,500)
Total	\$2,154,200	\$2,361,600	\$2,377,300	\$2,365,300	\$2,399,700	\$2,403,100
% Change		9.6%	0.7%	(0.5%)	1.5%	0.1%

Programs	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Administration	\$512,300	\$584,000	\$536,900	\$555,900	\$559,700	\$563,100
Sesquicentennial CC	23,500	76,200	128,100			
Collections & Education	554,800	594,400	628,200	661,400	634,800	634,800
History Publications	114,800	119,200	123,800	119,000	119,800	119,800
Office of Preservation	849,400	768,100	784,200	799,900	870,500	870,500
History Projects	99,400	219,700	176,100	229,100	214,900	214,900
Total	\$2,154,200	\$2,361,600	\$2,377,300	\$2,365,300	\$2,399,700	\$2,403,100
% Change		9.6%	0.7%	(0.5%)	1.5%	0.1%

Expenditures	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Personal Services	\$1,567,300	\$1,533,100	\$1,599,800	\$1,644,700	\$1,633,400	\$1,661,900
Travel	30,300	21,200	27,300	31,200	29,800	16,300

Current Expense	408,200	527,700	472,800	431,300	412,200	368,300
Data Processing	17,200	49,700	34,200	42,900	42,900	42,900
DP Capital	23,700	6,900	5,500			
Capital Outlay			13,100			
Pass-Through	107,500	223,000	224,600	215,200	281,400	313,700
Total	\$2,154,200	\$2,361,600	\$2,377,300	\$2,365,300	\$2,399,700	\$2,403,100
% Change		9.6%	0.7%	(0.5%)	1.5%	0.1%

FTE	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Standard	36.1	36.1	34.0	33.0	33.0	33.0
Building Block						
Total	36.1	36.1	34.0	33.0	33.0	33.0
% Change		0.0%	(5.8%)	(2.9%)	0.0%	0.0%

4.1 State History Federal Funds

Program		FY 1998 Actual	FY 1999 Approp.	FY 1999 Estimated	FY 2000 Analyst
Office of Preservation	Federal	\$549,700	\$569,500	\$553,000	\$553,000
National Park Service	State = 40%	366,100	379,300	368,300	368,300
Historic Preservation	Total	\$915,800	\$948,800	\$921,300	\$921,300
Grant					
	Total Federal	\$549,700	\$569,500	\$553,000	\$553,000
	Total State	366,100	379,300	368,300	368,300
	Grand Total	\$915,800	\$948,800	\$921,300	\$921,300

1.0 Fine Arts**Total
Recommendation**

Financing	Analyst
General Fund (Ongoing)	\$2,837,300
Federal	517,900
Dedicated Credits	172,100
Total	\$3,527,300
Programs	
Administration	\$870,200
Grants to Non-Profit Arts Orgs.	1,375,000
Community Arts Outreach & Dev.	1,282,100
Total	\$3,527,300

Mission

The Utah Arts Council promotes fine arts. Organized in 1899, it is the first state art agency in the nation.

Performance Measures	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998
Working Partnerships	25	30	36	37	52
Students Taught by Artists	1,313,497	1,522,531	1,557,069	1,520,656	1,509,392
Tech. Assisted Agencies	248	330	369	248	319
In-kind Donations	\$7,468,981	\$9,019,351	\$9,891,160	\$8,877,832	\$10,475,005
Website Hits					30,444
Sponsored Contest Entries	1,354	1,650	1,374	1,564	1,313

3.1 Fine Arts Programs: Administration

Recommendation The Analyst's recommendation of \$870,200 includes an increase of \$3,100 for internal service fund rate adjustments.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$760,500	\$780,000	\$783,100	\$3,100
Federal	68,700	66,600	64,200	(2,400)
Dedicated Credits	11,200	20,400	22,900	2,500
Total	\$840,400	\$867,000	\$870,200	\$3,200
FTE	7.2	7.2	7.2	

Mission Administration coordinates division activities. Finance, personnel and public relations are funded in this budget.

Activity Helped the Salt Lake Organizing Committee conduct a national search for the 2002 Winter Olympic Games, Director of the Cultural Olympiad. Raymond Grant from Walt Disney was hired.

Established a partnership with State History to conduct a preliminary study for a Utah Cultural Center of offices, museums, production and preservations spaces which will be part of the future Gateway Center.

Created the Utah Arts Council Website (www.dced.state.ut.us/arts) featuring funding applications, program information, artist directories, and links. This will result in reduced printing costs.

Previous Intent S. B. 1, Item 110:

It is the intent of the Legislature that funding appropriated to the Utah Arts Council for operation and maintenance of the Union Pacific Depot be limited to \$150,000 and that payment to the Division of Facilities Construction and Management shall not exceed that amount

Compliance: Full

3.2 Fine Arts Programs: Grants to Non-Profit Arts Orgs.

Recommendation The Analyst recommends a budget of \$1,375,000.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$1,084,100	\$1,239,000	\$1,239,000	
Federal	95,400	166,000	136,000	(30,000)
Dedicated Credits	3,000			
Transfers				
Total	\$1,182,500	\$1,405,000	\$1,375,000	(\$30,000)

Mission This Program makes grants to more than 300 arts organizations throughout the State. Some of the major grantees are: Ballet West, Repertory Dance Theater, Ririe-Woodbury Dance Foundation, Utah Arts Festival Foundation, Utah Symphony, Utah Opera Company, Pioneer Memorial Theater, Utah Shakespearean Festival, Utah Museum of Fine Arts, Salt Lake Art Center, Springville Museum of Art, and the Kimball Art Center.

Previous Intent S. B. 1, Item 110:

It is the intent of the Legislature that the Arts Council make grants of \$50,000 form ongoing General Fund to each of the following arts Organizations:

Utah Valley Symphony
Southwest Symphony
Utah Festival Opera

Compliance: Full

3.3 Fine Arts Programs: Community Arts Outreach and Development

Recommendation The Analyst recommends a total budget of \$1,282,100 includes an additional \$200 for internal service fund rate adjustments. Communities help defray the cost of visiting artists. When Federal Funds decline the number of artists sponsored also declines and so does the Dedicated Credits paid by the communities.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$799,400	\$815,000	\$815,200	\$200
General Fund (1-time)		75,000		(75,000)
General Fund Total	\$799,400	\$890,000	\$815,200	(\$74,800)
Federal	299,200	356,500	317,700	(38,800)
Dedicated Credits	127,800	249,000	149,200	(99,800)
Total	\$1,226,400	\$1,495,500	\$1,282,100	(\$213,400)
FTE	14.2	14.2	14.2	

Mission Community/State Partnership gives technical assistance to arts organizations, and holds regional meetings for arts organizations.

Arts in Education pays real artists to work in schools as teachers.

Visual Arts maintains the State's ninety-seven year old art collection at the Union Pacific Depot. The Art circulates through the state as individual pieces and as traveling exhibits. It also sponsors a state-wide visual arts competition.

Folk Arts finances apprenticeships and holds festivals.

Literary Arts sponsors the Utah Original Writing Competition.

Design Arts coordinates the Percent for the Arts Program.

Activity **Visual Arts** sponsored the Statewide Annual Competition and Exhibition viewed by over 20,000 Utah Arts Festival visitors.

Visual Arts eliminated professional designer expense by producing their

quarterly newsletter ArtOps in-house.

Folk Arts published a CD-ROM titled "Utah Collections II" featuring photographs, audio, and text from over 100 artists from Utah's Hispanic community.

Literary Arts sponsored the 40th Annual Utah Original Writing Competition which drew manuscripts from over 340 writers.

3.3 Fine Arts Programs: Community Arts Outreach & Dev.

Individual Artist Services sponsored 16 professional development workshops and focus groups for 344 college students and professional artists in grant writing, presentation, marketing, and independent dance artist issues.

Community/State Partnership produced/sponsored over 50 Utah Performing Arts Tour performances in 26 different communities.

Community/State Partnership reduced development workshop expense by 80% by partnering with Utah Non-profits Association and the Western Alliance of Arts Administrators.

Arts in Education co-sponsored a two-week retreat for 100 Utah teachers focusing on music, dance, theater, and visual arts of the Irish, Japanese, and African immigrants to Utah. Other sponsors were the State Office of Education, and the Utah Alliance for Arts and Humanities Education.

Arts in Education reduced training conference costs 50% by partnering with the Utah State Office Education.

Public Art completed the largest public art installation to date, the Scott M. Matheson Court House project.

Conducted the first ever genre-specific conference for theater professionals which established a Utah coalition.

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4.0 Fine Arts Tables

Financing	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
General Fund (Ongoing)	\$4,126,000	\$2,442,500	\$2,561,700	\$2,644,000	\$2,834,000	\$2,837,300
General Fund (1-time)					75,000	
General Fund Total	\$4,126,000	\$2,442,500	\$2,561,700	\$2,644,000	\$2,909,000	\$2,837,300
Federal	704,300	680,000	394,100	463,300	589,100	517,900
Dedicated Credits	130,700	180,300	190,200	142,000	269,400	172,100
Transfers		22,600				
Beginning Nonlapsing	42,900	8,400	18,300	63,800	39,000	
Closing Nonlapsing	(8,400)	(18,300)	(9,700)	(39,000)	(28,000)	
Total	\$4,995,500	\$3,315,500	\$3,154,600	\$3,274,100	\$3,778,500	\$3,527,300
% Change		(33.6%)	(4.9%)	3.8%	15.4%	(6.6%)

Programs	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Administration	\$2,540,300	\$822,300	\$799,000	\$840,400	\$867,000	\$870,200
Grants to Non-Profits	1,280,900	1,253,400	1,166,600	1,182,500	1,405,000	1,375,000
Comm. Arts Outreach	1,164,800	1,227,100	1,180,400	1,226,400	1,495,500	1,282,100
Percent for the Arts	9,500	12,700	8,600	24,800	11,000	
Humanities Council						
Total	\$4,995,500	\$3,315,500	\$3,154,600	\$3,274,100	\$3,778,500	\$3,527,300
% Change		(33.6%)	(4.9%)	3.8%	15.4%	(6.6%)

Expenditures	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Personal Services	\$829,800	\$879,500	\$886,100	\$956,800	\$1,032,000	\$1,025,300
Travel	55,900	67,100	67,000	60,700	69,700	69,800
Current Expense	1,033,800	1,059,300	1,021,000	1,038,600	1,247,200	1,034,400
Data Processing	14,800	41,200	13,900	35,500	24,600	22,800
DP Capital	3,600	15,000				

Capital Outlay	2,200					
Pass-Through	3,055,400	1,253,400	1,166,600	1,182,500	1,405,000	1,375,000
Total	\$4,995,500	\$3,315,500	\$3,154,600	\$3,274,100	\$3,778,500	\$3,527,300
% Change		(33.6%)	(4.9%)	3.8%	15.4%	(6.6%)

FTE	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Standard	22.2	22.2	23.1	21.4	21.4	21.4
Building Block						
Total	22.2	22.2	23.1	21.4	21.4	21.4
% Change		0.0%	3.8%	(7.3%)	0.1%	0.0%

4.1 Fine Arts Federal Funds

Program		FY 1998 Actual	FY 1999 Approp.	FY 1999 Estimated	FY 2000 Analyst
Administration	Federal	\$68,700	\$60,900	\$66,600	\$64,200
Basic State Grant	State	760,500	772,300	780,000	783,100
NEA 45.007, 45.025	Total	\$829,200	\$833,200	\$846,600	\$847,300
Grants	Federal	\$95,400	\$108,000	\$166,000	\$136,000
Basic State Grant	State	1,084,100	1,184,000	1,239,000	1,239,000
NEA 45.007, 45.025	Total	\$1,179,500	\$1,292,000	\$1,405,000	\$1,375,000
Outreach	Federal	\$299,200	\$305,900	\$356,500	\$317,700
Basic State Grant	State	799,400	887,700	890,000	815,200
NEA 45.007, 45.025	Total	\$1,098,600	\$1,193,600	\$1,246,500	\$1,132,900
	Total Federal	\$463,300	\$474,800	\$589,100	\$517,900
	Total State	\$2,644,000	\$2,844,000	\$2,909,000	\$2,837,300
	Grand Total	\$3,107,300	\$3,318,800	\$3,498,100	\$3,355,200

1.0 State Library**Total
Recommendation**

Financing	Analyst
General Fund (Ongoing)	\$4,233,800
General Fund (1-time)	(626,200)
Federal	1,283,500
Dedicated Credits	1,446,000
Beginning Nonlapsing	98,400
Closing Nonlapsing	(98,400)
Total	<u>\$6,337,100</u>
Programs	
Administration	\$825,900
Blind & Physically Handicapped	1,161,100
Library Development	3,105,600
Information Services	1,244,500
Total	<u>\$6,337,100</u>

Mission

The Divisions work is to improve Utah's libraries. It gives grants and technical support to local libraries, services to the blind and physically handicapped, and runs a bookmobile program with the counties. It is working to electronically link Utah's libraries through the Library Networking Initiative.

2.0 State Library Budget Highlights

Building Block: The most consuming activity this year is the move from the old building on 300 West and 2100 South to the new building on North Temple. The move was necessitated by a proposed rent increase that made building a new state building more economical. The building is financed on a revenue bond. The increased funding necessary for the bond is \$626,200 in General Fund. The Analyst recommends that amount but the first year will be financed by one-time savings incurred by coming in under budget.

Funding for New Building

**Recommended
Financing**

Financing	Analyst
General Fund (Ongoing)	\$626,200
General Fund (1-time)	(626,200)
Total	=====

3.1 State Library Programs: Administration

Recommendation The Analyst recommends a budget of \$825,900 which includes an internal service fund rate adjustment of 65,200 for building maintenance. The old building was a triple net lease and this is to pay DFCM to maintain the building.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$650,900	\$693,200	\$1,367,800	\$674,600
General Fund (1-time)			(626,200)	(626,200)
Federal	63,100	23,500	15,000	(8,500)
Dedicated Credits	137,100	129,900	69,300	(60,600)
Transfers	(18,600)			
Total	\$832,500	\$846,600	\$825,900	(\$20,700)
FTE	6.5	6.5	6.5	

Mission Administration leads and administratively supports the Division. It pushes to link Utah's libraries together and to strengthen the weaker libraries with technical support.

**Building Block:
Funding for New
Building** The most consuming activity this year is the move from the old building on Third West and 2100 South to the new building on North Temple. The move was necessitated by a proposed rent increase that made building a new state building more economical. The building is financed on a revenue bond. The increased funding necessary for the bond is \$626,200 in General Fund. The Analyst recommends that amount but the first year will be financed by one-time savings incurred by coming in under budget.

**Recommended
Financing**

Financing	Analyst
General Fund (Ongoing)	\$626,200
General Fund (1-time)	(626,200)
Total	

3.2 State Library Programs: Blind & Physically Handicapped

Recommendation The Analyst's recommendation of \$1,161,100 includes a \$600 decrease for internal service fund rate adjustments. The Division expects a reduction in Federal Funds which it has off-set by increasing Dedicated Credits which come from contracts to provide materials for the blind.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$642,000	\$661,100	\$660,500	(\$600)
Federal	128,500	153,100	109,200	(43,900)
Dedicated Credits	372,600	377,000	391,400	14,400
Transfers	400			
Total	\$1,143,500	\$1,191,200	\$1,161,100	(\$30,100)
FTE	24.6	24.6	24.6	

Mission This Program is the sole source of library resources to the blind and physically handicapped in the state. The National Service for the Blind and Physically Handicapped contracts with the Utah State Library to serve as the Western Multi-State Service Center. The Library supplies Utah, and 24 other states, Braille reading materials, records and record players, cassette machines and tapes, and catalogues of materials provided by the national program.

By contract, the Program provides complete Braille services directly to the citizens of eleven Western states and the Church of Jesus Christ of Latter-day Saints. The Division has a Braille computer that can prepare new materials.

Activity The Library circulated over 270,000 tapes, large print books and Braille books. The Library currently serves over 11,000 patrons in Utah and Wyoming with full library service, and eleven states with Braille service only.

Volunteers donated 43,595 hours to the program in narrating books, repairing equipment inspecting books, reading for the Radio Reading Service and duplication of tapes. This is the equivalent of 20 full-time employees.

With the State Division of Services for the Visually Impaired, the program provided Newslane, an on-demand telephone newspaper service to people in Utah, Salt Lake, Davis and Weber counties. The service provides access to the daily newspaper using a push button telephone.

The program initiated a Summer Reading Program for the children in Utah who are members of the library. Prizes were solicited from the business community including the Utah Jazz, Utah Buzz, Smith's, Utah Travel Council, Lagoon , and Burger King who donated prizes for the 38 children who read over 8,900 hours.

3.2 State Library Programs: Blind & Physically Handicapped

Performance Measures

	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998
Number Served	9,331	9,785	10,091	10,068	11,086	10,809
Circulation	233,401	241,487	245,587	252,305	271,311	283,459
Volunteer Hours	41,460	46,657	34,556	27,865	43,595	51,327
Books Recorded	167	235	246	211	317	325
Books Brailled	8	13	20	9	10	11

The number of patrons served has gone up slightly over time and is down slightly in FY 1998, but circulation has been on a steady increase. Volunteer Hours has steadily increased and probably set an all time record in FY 1998 which may be due to the move. The number of books recorded has increase from 167 in FY 1993 to 325 in FY 1998. Books Brailled peaked in FY 1995 with 20 but otherwise seems to stay steady.

3.3 State Library Programs: Library Development

Recommendation The Analyst recommends a budget of \$3,105,600 including an increase of \$17,400 for internal service fund rate increases. Dedicated Credits come from Bookmobile contracts.

Financing	FY 1998	FY 1999	FY 2000	Est/Analyst
	Actual	Estimated	Analyst	Difference
General Fund (Ongoing)	\$1,454,800	\$1,401,900	\$1,419,300	\$17,400
Federal	492,400	1,003,300	701,000	(302,300)
Dedicated Credits	815,000	866,200	985,300	119,100
Transfers	(16,700)			
Total	\$2,745,500	\$3,271,400	\$3,105,600	(\$165,800)
FTE	31.4	31.0	31.4	0.4

Mission This program consults and trains local librarians, administers the Public Library Development Grants, federal grants, and operates bookmobile services. It publishes a monthly newsletter, Directions for Utah Libraries, and collects and publishes annual State libraries statistics.

Activity The Division administers service contracts with 22 rural Utah counties to manage their county bookmobile libraries. The Division is making the Program more independent, local and self-sufficient.

UPLIFT is the Division's continuing education program for local library trustees and librarians.

Two rounds of the new federal Library Services and Technology Act (LSTA) resulted in 7 school libraries, 3 academic libraries, and 31 public libraries getting money to automate, add computers, and enhance technology. About 450,000 was dispersed through competitive grants.

Seventy public library jurisdictions received Public Library Development Grants

to improve services.

Performance Measures

	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998
Consulting Visits	320	300	300	300	330	330
Fed. Projects Started	50	58	55	39	65	54

The number of consulting visits and federal projects started seems to be holding steady. The Division is changing the way they conduct UPLIFT training making year to year comparisons invalid.

3.4 State Library Programs: Information Services

Recommendation The Analyst recommends a budget of \$1,244,500. The increase in the budget comes from federal funds which gives a high priority to electronic library services.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$724,600	\$786,200	\$786,200	
Federal	130,200	331,000	458,300	127,300
Transfers	34,900			
Beginning Nonlapsing	125,300	98,400	98,400	
Closing Nonlapsing	(98,400)	(98,400)	(98,400)	
Total	\$916,600	\$1,117,200	\$1,244,500	\$127,300
FTE	11.0	11.0	11.0	

Mission For Utah's smaller libraries and state agencies, Information Services coordinates the interlibrary loan network; answers reference questions; orders, catalogs, and processes library materials; circulates audiovisual materials; does on-line database searches; reimburses "net lender" institutions; sponsors a children's books examination center; book discussion groups; and statewide summer reading programs. The State Library maintains an internet website.

The Program negotiates data base licenses, provides training, helps develop web home pages, and works with State agency electronic publications for the Networking Initiative. It also provides library functions for state government

publications.

The Utah Library Networking Initiative is designed to link Utah's public libraries to the Internet, State agencies, and national information highways through the State's wide-area network and the Utah Education Network.

Activity

They answered 1800 reference questions from 55 public libraries and 6 governmental entities

They loaned 6500 materials from the State Library's collection.

They distributed \$151,000 in federal funds to 21 Utah libraries.

Network Services added the *Encyclopedia Americana* and the current daily newspaper and archives of the *Salt Lake Tribune* to *PIONEER*.

The *PIONEER* website was redesigned and enhanced.

3.4 State Library Programs: Information Services

Staff visited every Internet connected public library site in the state to verify that all installations were functioning effectively and that local staff were trained.

Performance Measures

	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998
Interlibrary Loans	9,142	9,361	9,434	8,077	8,201	8,393
Reference Requests	2,800	2,453	1,933	1,709	2,010	1,670
Agency Pub. Catalogued					8,952	3,428
Circulation	7,938	7,646	6,132	7,087	8,375	6,456
U. Lib. Network Sites	8	30	50	68	85	100
U. Lib. Network %	7.0%	26.0%	44.0%	60.0%	75.0%	88.0%
St. HORIZON Pubs.				6,411	15,363	18,430
Website Usage						639,661

The most important statistics are the number of Utah Library Networked Sites and the percent of Libraries that are networked. Both show dramatic increases. Interlibrary loans and reference requests have declined over the years. Circulation fluctuates but is neither increasing or decreasing, agency publications catalogued, state HORIZON publishing, and website usage are new measures showing the changing nature of the program.

Legislative Fiscal Analyst

4.0 State Library Tables

Financing	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
General Fund (Ongoing)	\$3,373,300	\$3,425,200	\$3,540,100	\$3,472,300	\$3,542,400	\$4,233,800
Federal	858,500	961,200	1,167,200	814,200	1,510,900	1,283,500
Dedicated Credits	1,103,600	1,191,100	1,273,600	1,324,700	1,373,100	1,446,000
Beginning Nonlapsing	307,600	232,700	234,300	125,300	98,400	98,400
Closing Nonlapsing	(232,700)	(234,300)	(125,300)	(98,400)	(98,400)	(98,400)
Lapsing		(15,000)				
Total	\$5,410,300	\$5,560,900	\$6,089,900	\$5,638,100	\$6,426,400	\$6,337,100
% Change		2.8%	9.5%	(7.4%)	14.0%	(1.4%)

Programs	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Administration	\$833,800	\$888,900	\$881,500	\$832,500	\$846,600	\$825,900
Blind & Phys. Handicap.	1,015,000	1,134,400	1,164,800	1,143,500	1,191,200	1,161,100
Library Development	2,615,800	2,691,700	3,020,200	2,745,500	3,271,400	3,105,600
Information Services	945,700	845,900	1,023,400	916,600	1,117,200	1,244,500
Total	\$5,410,300	\$5,560,900	\$6,089,900	\$5,638,100	\$6,426,400	\$6,337,100
% Change		2.8%	9.5%	(7.4%)	14.0%	(1.4%)

Expenditures	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Personal Services	\$2,841,000	\$2,897,400	\$3,047,500	\$3,082,000	\$3,143,500	\$3,156,300
Travel	52,100	49,600	59,500	59,000	67,500	66,900
Current Expense	1,183,200	1,171,600	1,328,200	1,244,800	1,565,700	1,694,500
Data Processing	103,500	298,300	218,600	149,900	131,300	140,600
DP Capital	154,400	56,700	17,000		36,600	
Capital Outlay	30,800	64,400	137,300	188,600	91,000	
Pass-Through	1,045,300	1,022,900	1,281,800	913,800	1,390,800	1,278,800
Total	\$5,410,300	\$5,560,900	\$6,089,900	\$5,638,100	\$6,426,400	\$6,337,100
% Change		2.8%	9.5%	(7.4%)	14.0%	(1.4%)

FTE	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Standard	77.3	77.3	74.5	73.5	73.1	73.5
Building Block						
Total	77.3	77.3	74.5	73.5	73.1	73.5
% Change		0.0%	(3.7%)	(1.3%)	(0.6%)	0.6%

4.1 State Library Federal Funds

Program		FY 1998	FY 1999	FY 1999	FY 2000
		Actual	Approp.	Estimated	Analyst
Administration	Federal	\$63,100	\$23,500	\$23,500	\$15,000
LSCA Title I 84.034A	State	108,200	108,300	108,300	109,400
	Total	171,300	131,800	131,800	124,400
Blind & Physically	Federal	128,500	153,100	153,100	109,200
Handicapped	State	189,200	189,300	189,300	193,500
LSCA Title I 84.034A	Total	317,700	342,400	342,400	302,700
Library Development	Federal	417,700	812,900	812,900	701,000
LSCA Title I 84.034A	State	1,168,000	1,168,100	1,168,100	1,168,200
	Total	1,585,700	1,981,000	1,981,000	1,869,200
Library Development	Federal	74,700	190,400		
LSCA Title II 84.034A	State				
	Total	74,700	190,400		

Information Services LSCA Title I 84.034A	Federal	43,700	265,600	265,600	458,300
	State				
	Total	43,700	265,600	265,600	458,300
Information Services LSCA Title III 84.034A	Federal	86,500	65,400	65,400	
	State				
	Total	86,500	65,400	65,400	
Total	Federal	\$814,200	\$1,510,900	\$1,320,500	\$1,283,500
Total	State	1,465,400	1,465,700	1,465,700	1,471,100
Grand	Total	\$2,279,600	\$2,976,600	\$2,786,200	\$2,754,600

Matching Requirements

LSCA I and II require maintenance of effort equal to two years ago.
LSCA III requires no match.
Some of the State funds shown exceed matching requirement.

1.0 Energy Services

**Total
Recommendation**

Financing	Analyst
General Fund (Ongoing)	\$57,300
Federal	3,390,100
Oil Overcharge-Exxon	185,000
Oil Overcharge-Stripper	2,083,100
Total	<u>\$5,715,500</u>
Programs	
Weatherization Assistance	\$3,032,000
State Energy Conservation	938,300
Energy Technology Demonstration	700,400
State Building Energy Loan	508,800
Alternative Fuels - Private	536,000
Total	<u>\$5,715,500</u>

Mission

Energy Services promotes energy efficiency through programs aimed at the general public, public buildings, transportation, and low income, elderly, and handicapped. The programs are primarily funded from court mandated Oil Overcharge funds.

3.1 Energy Services Programs: Weatherization Assistance

Recommendation The Analyst recommends a budget of \$3,032,000. In the past, the Division has shown Oil Overcharge funds as part of federal funds. These are not federal funds but the result of a federal lawsuit. The Analyst's recommendation shows them broken out. Funds not used for the federally funded HEAT Program can be used for Weatherization. The increase in federal funds in the Analyst's recommendation is because of low use of HEAT funds.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$15,800	\$15,800	\$15,800	
Federal	2,815,100	1,970,000	2,793,300	\$823,300
Oil Overcharge-Exxon			185,000	185,000
Oil Overcharge-Stripper			37,900	37,900
Total	\$2,830,900	\$1,985,800	\$3,032,000	\$1,046,200
FTE	2.0	2.2		(2.2)

Mission This program helps low income, elderly, and handicapped persons save on their energy bills. It identifies ways to save energy and finance improvements where necessary. Utah residents who meet the federal low-income guidelines are eligible with priority going to the handicapped and elderly. Primary funding comes through the federal Department of Energy. Additional help goes to these citizens from Utah Power, Mountain Fuel, and the Utah Department of Human Services.

3.2 Energy Services Programs: State Energy Conservation

Recommendation The Analyst recommends a budget of \$938,300 primarily Federal and Oil Overcharge funds. The amount of General Funds in the budget is small and unchanged from last year. The budget recommendation contains a \$100 decrease in recommended federal funds to adjust to changes in internal service fund rate changes.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$41,000	\$41,500	\$41,500	
Federal	730,600	549,300	596,800	\$47,500
Oil Overcharge-Stripper		300,000	300,000	
Total	\$771,600	\$890,800	\$938,300	\$47,500
FTE	4.0	4.1	4.1	

Mission This is a public information program aimed at the general public, school children, private building managers, and federal agencies. The emphasis is on building energy management, transportation, renewable resources, energy efficient products, emergency planning, and housing. The program uses publications, school programs, television and an energy hotline. Federal funds are used for code training, federal facilities, clean fuel vehicle demonstrations and Climate Wise.

Activity The Program participates in Motor Challenge, Green Lights, ClimateWise, NICE3, Energy-Related Inventions, and Small Business Administration programs

Green Lights partnered with 50 private and public entities in the installation of state-of-the-art lighting technologies.

The Office helped Process Innovators, Inc. get a \$440,000 federal grant for developing a more efficient oil and gas refining processes; and helped Covol, Inc. get a \$240,000 federal grant to develop a technology that binds and recycles steel making process waste.

In partnership with ClimateWise, the Program developed an effective plan to reduce greenhouse gases and pollution with increased energy efficiency lighting, recycling and other industrial improvements for Southwire

Corporation.

1,500 students were organized into Student Energy Patrols in 50 schools. In Jordan District the patrols saved \$16,000. The annual Utah energy debate reached over 8,500 students. Teacher energy curriculum training and workshops reached 28,000 students.

3.3 Energy Services Programs: Energy Technology Demonstration

Recommendation The Analyst's recommended budget of \$700,400 includes an increase of \$200 for internal service fund adjustments.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
Federal	\$833,500			
Oil Overcharge-Stripper		579,800	700,400	120,600
Total	\$833,500	\$579,800	\$700,400	\$120,600
FTE	3.4	3.3	3.3	

Mission The Program promotes energy efficient technologies, the use of Utah's fossil fuels, and Utah's renewable energy resources by providing matching grants and loans for demonstration projects.

Activity With the Utah Office of Education and the University of Utah Engineering Experiment Station, the Program reviewed 30 designs for new or remodeled school for energy efficiency. This resulted in one new Jordan District school saving \$25,000 in energy costs in 1997.

The Office works with Salt Lake City Clean Cities Program, Clean Cities Olympic Subcommittee, and the Cool Communities partnership.

The Office worked with local architects and developers on the AIA/Habitat for Humanity House in Salt Lake City that features energy conserving landscape, daylighting, recycled materials, and radiant floors. They also worked on Utah State University's Utah House 2000 design which will be at the botanical Garden site and open to the public to showcase energy efficiency.

Energy Services is working with the U. S. Department of Energy on technical assistance and federal funding for energy efficiency and pollution prevention with the 2002 Winter Olympics. Targeted facilities are the University of Utah Student Housing Project, Fort Douglas Chapel Glen, Ball Field Housing and Soldier Hollow, the Biathlon and Cross Country venue.

3.4 Energy Services Programs: State Building Energy Loan

Recommendation The Analyst recommends a budget of \$508,800.

Financing	FY 1998	FY 1999	FY 2000	Est/Analyst
	Actual	Estimated	Analyst	Difference
Federal	\$1,900			
Oil Overcharge-Stripper		508,800	508,800	
Total	\$1,900	\$508,800	\$508,800	

Mission The Program finances energy efficiency projects in State buildings with energy savings repaying the loans.

Activity Completed 24 efficiency projects with Utah school districts, higher education facilities and hospitals. Return on energy efficiency investments average 4 to 5 years simple payback. The Program signed nine new contracts with local governments for energy efficient upgrades on historic buildings. The Program is encouraging partnerships between public institutions and private energy service companies.

Loan Portfolio

Recipient	Project	Amount	Annual Savings
Salt Lake City	Franklin Field Lighting	\$3,500	\$3,474
S. L. County Housing	Senior High-rises	15,027	8,018
Box Elder School District	Lake View Elementary & North Park Elementary	45,108	10,644
Cache School District	Skyview & Lewiston	100,000	79,020
Ogden School District		100,000	19,567
Kaysville City	Fire Station, Main & Library	67,147	10,932
Utah Veterans Nursing Home		100,000	30,000
Southern Utah University	Gas Distribution System	228,293	42,074

Utah Development Center		103,900	
Weber State University	Lighting Buildings 1, 2	100,000	25,000
Davis ATC	Lighting & other	100,000	50,000
Vernal City		49,254	8,000
Brigham City	HVAC Retrofit, Library	100,000	
Utah State University		250,000	45,000
Utah Local Government Trust		22,100	3,000
College of Eastern Utah		100,000	

3.5 Energy Services Programs: Alternative Fuels - Private

Recommendation The Analyst recommends a budget of \$536,000. The Division looks on Oil Overcharge funds as federal funds but Oil Overcharge funds come to the state as a result of a federal court settlement not appropriation. The Analyst's recommendation shows them correctly labeled.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
Federal	60,500	539,500		
Oil Overcharge-Stripper			\$536,000	\$536,000
Total	\$60,500	\$539,500	\$536,000	\$536,000
FTE	1.0	1.1	1.1	

Mission This Program finances private fleet vehicle conversions to cleaner burning fuels. The maximum loan payback period is ten years, but the average is four. Cost effectiveness is independently reviewed by Mountain Fuel.

Activity The Program issued \$475,000 in loans to convert more than 85 vehicles.

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4.0 Energy Services Tables

Financing	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
General Fund (Ongoing)	\$385,000	\$60,800	\$79,600	\$56,800	\$57,300	\$57,300
Federal	2,135,300	2,442,700	832,900	5,013,200	3,058,800	3,390,100
Oil Overcharge-Exxon	688,000	1,015,400				185,000
Oil Overcharge-Stripper	1,152,000	1,699,700	973,800		1,388,600	2,083,100
Transfers		62,200				
Lapsing	(259,500)	(1,301,700)				
Total	\$4,100,800	\$3,979,100	\$2,216,300	\$5,070,000	\$4,504,700	\$5,715,500
% Change		(3.0%)	(44.3%)	128.8%	(11.1%)	26.9%

Programs	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Institutional Conservation	\$908,300	\$701,500	\$632,100	\$571,600		
Weatherization Assist.	1,808,500	1,974,800	207,600	2,830,900	\$1,985,800	\$3,032,000
St. Energy Conservation	689,400	650,900	781,900	771,600	890,800	938,300
Energy Tech. Demo.	302,200	467,900	195,300	833,500	579,800	700,400
St. Building Energy Loan	26,600	140,000	22,100	1,900	508,800	508,800
Alternative Fuels-Private	19,700	41,300	377,300	60,500	539,500	536,000
Other Historical	346,100	2,700				
Total	\$4,100,800	\$3,979,100	\$2,216,300	\$5,070,000	\$4,504,700	\$5,715,500
% Change		(3.0%)	(44.3%)	128.8%	(11.1%)	26.9%

Expenditures	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Personal Services	\$463,300	\$467,500	\$460,300	\$530,100	\$541,900	\$532,800
Travel	19,500	14,600	12,900	19,300	29,700	30,600

Current Expense	111,000	99,700	106,400	119,200	121,300	123,500
Data Processing	5,100	21,200	9,800	9,500	10,100	10,100
DP Capital	6,200	6,300				
Capital Outlay	8,800					
Pass-Through	3,486,900	3,369,800	1,626,900	4,391,900	3,801,700	5,018,500
Total	\$4,100,800	\$3,979,100	\$2,216,300	\$5,070,000	\$4,504,700	\$5,715,500
% Change		(3.0%)	(44.3%)	128.8%	(11.1%)	26.9%

FTE	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Standard	10.0	10.0	11.6	10.4	10.6	8.4
Building Block						
Total	10.0	10.0	11.6	10.4	10.6	8.4
% Change		0.0%	15.5%	(10.0%)	1.4%	(20.4%)

4.1 Energy Services Federal Funds

Program		FY 1998 Actual	FY 1999 Approp.	FY 1999 Estimated	FY 2000 Analyst
Institutional Conservation DOE 81.051	Federal	\$571,600			
	State				
	Total	\$571,600			
Weatherization DOE 81.042	Federal	\$2,815,100	\$1,669,300	\$1,970,000	\$2,793,300
	State				
	Total	\$2,815,100	\$1,669,300	\$1,970,000	\$2,793,300
State Energy Conservation DOE 81.05	Federal	\$730,600	\$435,600	\$549,300	\$596,800
	State				
	Total	\$730,600	\$435,600	\$549,300	\$596,800
Energy Technology Dev. DOE 81.051	Federal	\$833,500			
	State				
	Total	\$833,500			
State Building Energy Loan DOE 81.051	Federal	\$1,900			
	State				
	Total	\$1,900			
Alternative Fuels - Private	Federal	\$60,500		\$539,500	

	State				
	Total	\$60,500		\$539,500	
	Total Federal	\$5,013,200	\$2,104,900	\$3,058,800	\$3,390,100
	Total State				
	Grand Total	\$5,013,200	\$2,104,900	\$3,058,800	\$3,390,100

1.0 Community Development**Total
Recommendation**

Financing	Analyst
General Fund (Ongoing)	\$5,383,600
Federal	29,114,300
Dedicated Credits	20,000
GFR-Homeless Trust	150,000
Permnt. Comm. Impact	472,500
Beginning Nonlapsing	2,531,500
Closing Nonlapsing	(2,531,500)
Total	<u>\$35,140,400</u>
 Programs	
Administration	\$660,000
Museum Services	195,300
Community Assistance	13,398,200
Pioneer Communities	177,600
Housing Development	14,102,800
Community Services	2,686,300
Commission on Volunteers	1,285,200
Zoos	1,730,000
Homeless Committee	905,000
Total	<u>\$35,140,400</u>

Mission

The Division helps local governments and citizens develop public infrastructure and services through grants, loans, and technical assistance. The Division also manages the Division's Capital Budget and provides administrative support and programmatic oversight to the: Private Activity Bond Review, Disaster Relief Fund, Uintah Basin Revitalization Fund, Navajo Revitalization Fund, State Library Division, Division of State History, Utah State Historical Society, Division of Fine Arts, and Office of Energy Services.

3.1 Community Development Programs: Administration

Recommendation The Analyst's recommendation of \$660,000 includes a \$100 reduction for internal service fund adjustments. Each year the program is entitled to a percentage of the Permanent Community Impact Fund estimate for administration.

Financing	FY 1998	FY 1999	FY 2000	Est/Analyst
	Actual	Estimated	Analyst	Difference
General Fund (Ongoing)	\$548,200	\$585,100	\$585,000	(\$100)
Permmt. Comm. Impact	75,700	75,200	75,000	(200)
Beginning Nonlapsing	6,400	5,300	5,300	
Closing Nonlapsing	(5,300)	(5,300)	(5,300)	
Total	\$625,000	\$660,300	\$660,000	(\$300)
FTE	4.0	3.7	3.7	

Mission This Program provides leadership to Division programs and to the divisions of Fine Arts, History, Library, and Energy. It administers several federal pass-through programs

General Fund financial support for the Associations of Government is passed-through by contract to the Governor's Office of Planning and Budget.

Previous Intent S. B. 1, Item 113:

It is the intent of the Legislature that \$20,000 in one-time funds for Seekhaven be matched on the basis of two dollars for every state dollar.

Compliance Full

3.2 Community Development Programs: Museum Services

Recommendation The Analyst recommends a budget of \$195,300.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$191,600	\$195,300	\$195,300	
Beginning Nonlapsing	55,100	31,900	31,900	
Closing Nonlapsing	(31,900)	(31,900)	(31,900)	
Total	\$214,800	\$195,300	\$195,300	
FTE	2.0	2.1	2.1	

Mission This Programs gives grants and technical support to Utah's local museums.

1998 Grants

Box Elder County
 Brigham City Museum and Gallery
\$2,500 Transcontinental Railroad exhibit

Cache County
 USU Harrison Museum of Art
800 Attend the Western Museums Association Conference
1,000 Four conservationists

Emery County
 Emery County Museum
1,553 Reprint "Museum of the San Rafael" brochure

Garfield County
 Anasazi State Park
1,800 Archaeoastronomy at Coombs exhibit
892 Attend Society for American Archaeology conference

Grand County
 Dan O'Laurie Museum
1,500 Renovate exhibit displays

Iron County
 Iron Mission State Park
4,300 Historic Trails exhibit

Millard County

Topaz Museum
\$5,000 Museum master plan consultant
Territorial Statehouse State Park
2,180 History of museum building exhibit

3.2 Community Development Programs: Museum Services

**1998 Grants
continued**

Salt Lake County

Chase Home Museum of Folk Art
1,000 Professional exhibit designer contract
Children's Museum of Utah
5,000 Doll and toy collection display and storage
Salt Lake Art Center
800 Attend Western Museums Association Conference
This is the Place State Park
1,000 Attend Theater in Museums Workshop
Tracy Aviary
1,000 Attend Association of Zoo and Aquarium Conference
Utah Museum of Natural History
800 Attend Western Museums Association Conference
5,000 Conservation survey and training workshop
Utah State Historical Society
5,000 Workshop and catalog
Utah's Hogle Zoo
5,000 Membership development collaborative project

San Juan County

Edge of the Cedars State Park
4,000 Ceramic artifacts consultant

Sanpete County

Fairview Museum of Art
5,000 Blackhawk War exhibit

Sevier County

Fremont Indian State Park
800 Attend Western Museums Association Conference
1,000 NAGPRA Evolving Legacy Workshop

Utah County

SCERA
500 Strategic planning consultant

BYU Museum of Peoples & Culture
 5,000 Textile exhibit
 1,000 Attend American Association of Museums Conference

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3.2 Community Development Programs: Museum Services

**1998 Grants
continued**

Weber County

Hill Aerospace Museum

\$800 Attend Western Museums Association Conference

Ogden Nature Center

1,000 Land management consultant

3,000 Publish brochure

Treehouse Children's Museum

800 Attend Western Museums Association Conference

Eccles Community Art Center

1,000 Attend National Art Education Association Conference

1,000 Traveling children's exhibit

Roy Historical Society

120 Attend Governor's Conference on History

\$71,145 Total

Other activities

The program provided technical assistance to:
 Brigham City Museum and Gallery
 Fairview Museum of History and Art
 Heritage Museum of Layton
 Museum of the San Rafael
 Peteetneet Academy Museum
 Treehouse Children's Museum

The program sponsored a workshop in conjunction with the 1997 Western Museums Association Conference held in San Diego.

3.3 Community Development Programs: Community Assistance

Recommendation The Analyst's recommendation of \$13,398,200 includes a \$100 increase in federal funds for internal service fund adjustments. The Division is expecting a major increase in the Community Development Block Grant.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$80,200	\$80,300	\$80,300	
Federal	9,317,800	8,860,000	12,920,400	\$4,060,400
Dedicated Credits				
Permnt. Comm. Impact	375,200	383,100	397,500	14,400
Beginning Nonlapsing		(5,200)		5,200
Closing Nonlapsing	5,200			
Total	\$9,778,400	\$9,318,200	\$13,398,200	\$4,080,000
FTE	8.0	7.0	3.4	(3.7)

Mission This Program administers the federal Community Development Block Grant program through the Community Development Block Grant Policy Committee made up of seven elected officials from each Association of Governments. It targets low-income groups, slums, and the health, safety, and welfare of citizens with no other funding. Funds are spent in non-entitlement areas on public facilities, housing, and developing economic opportunities. Entitlement areas receive federal funds directly.

The Program staffs the Permanent Community Impact Board, Disaster Relief Board, Private Activity Bond Review, Navajo Revitalization Fund, and Uintah Basin Revitalization Fund.

Activity The Navajo Revitalization Fund Board set aside \$310,000 to eight entities in

FY 98, and \$1,061,100 to eight entities in FY 99.

The Uintah Basin Revitalization Fund awarded \$1,133,600 to 12 entities.

3.4 Community Development Programs: Pioneer Communities

Recommendation The Analyst recommends a budget of \$177,600. Last session the Legislature appropriated \$50,000 in on-going funds for a one-time project. The Analyst's recommendation has shifted those funds out of the budget. The Analyst notes that the program now has \$50,000 in grant funds and \$127,600 in overhead. A good portion of the overhead is used for technical assistance.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$175,400	\$227,600	\$177,600	(\$50,000)
Beginning Nonlapsing	217,400	120,600	70,600	(50,000)
Closing Nonlapsing	(120,600)	(70,600)	(70,600)	
Total	\$272,200	\$277,600	\$177,600	(\$100,000)
FTE	1.0	1.1	1.1	

Mission The Program helps local communities preserve and revitalize their historic districts. Divided into two parts, Main Street targets towns while Heritage Regions target rural areas. Pioneer Communities Historic Grants offer matching grants to rehabilitate historic commercial buildings.

Activity This year, Helper joined Brigham City, Mt. Pleasant, Panguitch, and Parowan in the Main Street Program. Brigham City started a concert series. Helper removed obsolete signs, garbage and debris. Mr. Pleasant planned activities for local youth. Panguitch went through a planning process. Parowan helped

several property owners get Pioneer Communities grants to rehabilitate their storefronts. The program awarded 14 grants totaling \$62,000.

Bear River Basin joined Sanpete County and San Juan County as Regional Partners. The Sanpete heritage Council helped KBYU produce and air "Cultures in Conflict," a documentary on the blackhawk War. San Juan Economic Development used Pioneer Communities Regional Partner grant funds along with a local match to purchase property around Bluff Cemetery.

With the help of the Bear River Resource Conservation and Development Council, several ranchers in Rich County have formed a partnership with the U. S. Forest Service to create dude ranches.

3.5 Community Development Programs: Housing Development

Recommendation The Analyst's recommendation of \$14,102,800 includes increases of \$100 in General Fund and \$1,000 in federal funds for internal service fund adjustments. This budget has major increases in HUD grants going from \$343,100 in the actual year to \$4,207,200 in the following year, and the addition of HEAT (formerly LIHEAP) at \$8,198,600 in the actual year.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$2,602,100	\$1,680,900	\$1,656,000	(\$24,900)
Federal	343,100	12,405,800	12,426,800	21,000
Dedicated Credits		20,000	20,000	
Permnt. Comm. Impact	8,100	10,000		(10,000)
Transfers	6,756,100			
Beginning Nonlapsing	3,284,900	2,423,700	2,423,700	
Closing Nonlapsing	(2,423,700)	(2,423,700)	(2,423,700)	
Total	\$10,570,600	\$14,116,700	\$14,102,800	(\$13,900)
FTE	8.5	9.3	10.2	0.9

Mission This Program staffs all of the State's housing programs: Homeless Committee, HOME, Housing Trust Fund, Critical Needs Housing, Home Energy Assistance Target (HEAT), and Emergency Shelter. Funds can go to

individuals, communities, and governments.

LIHEAP Addition The HEAT program is Utah's name for the Federal Low Income Home Energy Assistance Program (LIHEAP). The program is 100% federally funded and block granted. The HEAT program has been administered by the Department of Human Services since 1980. During FY 1998 program administration was contracted to the Department of Community and Economic Development. On July 1, 1998 the program was completely transferred to DCED through Senate Bill 120. The program provides home winter utility assistance to low income households and is administered through the Associations of Government and nonprofit agencies throughout Utah.

HEAT Activities Utah received \$7.2 million in LIHEAP funding and helped 26,037 households. 657 homes were weatherized and 571 households received emergency assistance with utilities.

3.6 Community Development Programs: Community Services

Recommendation The Analyst recommends a budget of \$2,686,300 which includes an increase of \$900 in federal funds to cover the costs of internal service fund adjustments.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$116,000	\$116,200	\$116,200	
Federal	2,739,700	2,569,200	2,570,100	\$900
Transfers		40,000		(40,000)
Beginning Nonlapsing	38,500			
Closing Nonlapsing				
Total	\$2,894,200	\$2,725,400	\$2,686,300	(\$39,100)
FTE	2.5	2.6	7.3	4.7

Mission This program administers the federal anti-poverty Community Services Block Grant. Eligible local agencies get ninety percent of the funding. The Program also administers special projects like funding for the Food Bank, Food Bank Network, and Healthy Communities.

Previous Intent

S. B. 1, Item 113:

It is the intent of the Legislature that the Office of Community Services be the state agency responsible for evaluating and improving emergency food services in Utah and monitor the impact of welfare reform on the emergency food network as funding allows.

Compliance: The Division has formed a statewide food pantry organization called the Utah Food Assistance Providers Association. They identify system problems, work on solutions, help with technical assistance as needed, identify equipment needs and sources, and promote food drives and public awareness.

Community Services With the help of other agencies:

Block Grant Activity

- ♦ Employment assistance to 5,264
- ♦ Educational services and income management training to 6,258
- ♦ Housing and emergency services to 19,579
- ♦ Nutrition services to 58,051

3.7 Community Development Programs: Commission on Volunteers**Recommendation**

The Analyst recommends a budget of \$1,285,200.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$62,700	\$88,200	\$88,200	
Federal	860,000	1,004,400	1,197,000	\$192,600
Beginning Nonlapsing	171,300			
Closing Nonlapsing				
Total	\$1,094,000	\$1,092,600	\$1,285,200	\$192,600
FTE	5.0	5.2	5.2	

Mission

This mostly federal AmeriCorps Program gives post secondary scholarships for volunteer type work in public safety, education, human needs, and the environment.

Activity

Through AmeriCorps and Learn and Serve Community based Organization grants, more than 11,000 childhood immunizations occurred; more than 350 adults received their GEDs through literacy efforts; 151 at-risk youth received high school diplomas; more than 100 elementary school student have reached grade level in reading competency; and nearly 2,000 youth ages 5 to 17 gave more than 90,000 hours of community service.

3.8 Community Development Programs: Zoos**Recommendation**

The Analyst recommends a budget of \$1,730,000 in General Fund.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$1,730,000	\$1,730,000	\$1,730,000	
Beginning Nonlapsing		20,000		(\$20,000)
Closing Nonlapsing	(20,000)			
Total	\$1,710,000	\$1,750,000	\$1,730,000	(\$20,000)

Mission

These funds help support Hogle Zoo and Logan's Willow Park Zoo.

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3.9 Community Development Programs: Homeless Committee

Recommendation The Analyst recommends \$905,000.

Financing	FY 1998	FY 1999	FY 2000	Est/Analyst
	Actual	Estimated	Analyst	Difference
General Fund (Ongoing)	\$1,825,000	\$730,000	\$755,000	\$25,000
GFR-Homeless Trust		150,000	150,000	
Transfers		120,000		(120,000)
Beginning Nonlapsing	16,900	6,300		(6,300)
Closing Nonlapsing	(6,300)	(6,300)		6,300

Lapsing	(614,100)			
Total	\$1,221,500	\$1,000,000	\$905,000	(\$95,000)

Mission

This program channels General Funds and income tax homeless check-off funds to state and local housing organizations. Staffing is provided by the Housing Development Program.

4.0 Community Development Tables

Financing	FY 1995 Actual	FY 1996 Actual	FY 1997 Actual	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst
General Fund (Ongoing)	\$7,009,600	\$4,485,600	\$6,565,400	\$7,331,200	\$5,433,600	\$5,383,600
General Fund (1-time)			300,000			
General Fund Total	7,009,600	4,485,600	6,865,400	7,331,200	5,433,600	5,383,600
Federal	10,267,400	10,845,800	12,160,400	13,260,600	24,839,400	29,114,300
Dedicated Credits	3,600	4,200	32,400		20,000	20,000
GFR-Homeless Trust	450,000	478,000	650,000		150,000	150,000
GFR-Mineral Lease		222,800	446,900			
Permnt. Comm. Impact	393,600	454,000		459,000	468,300	472,500
Transfers	84,400			6,756,100	160,000	

Beginning Nonlapsing	2,044,300	1,678,100	910,500	3,790,500	2,602,600	2,531,500
Closing Nonlapsing	(4,360,300)	(2,769,400)	(3,999,500)	(2,602,600)	(2,537,800)	(2,531,500)
Lapsing	(331,600)	(408,000)	(582,900)	(614,100)		
Total	\$15,561,000	\$14,991,100	\$16,483,200	\$28,380,700	\$31,136,100	\$35,140,400
% Change		(3.7%)	10.0%	72.2%	9.7%	12.9%

Programs	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Administration	\$737,500	\$572,000	\$587,200	\$625,000	\$660,300	\$660,000
Museum Services	409,900	231,600	200,300	214,800	195,300	195,300
Community Assistance	7,726,600	8,492,600	8,983,100	9,778,400	9,318,200	13,398,200
Pioneer Communities	186,900	136,400	237,000	272,200	277,600	177,600
Housing Development	2,128,500	892,400	836,400	10,570,600	14,116,700	14,102,800
Community Services	2,261,300	2,283,800	2,275,300	2,894,200	2,725,400	2,686,300
Volunteers Commission	480,200	731,900	941,800	1,094,000	1,092,600	1,285,200
Zoos	1,270,000	1,020,000	1,730,000	1,710,000	1,750,000	1,730,000
Homeless Committee	360,100	630,400	692,100	1,221,500	1,000,000	905,000
World Senior Games						
Total	\$15,561,000	\$14,991,100	\$16,483,200	\$28,380,700	\$31,136,100	\$35,140,400
% Change		(3.7%)	10.0%	72.2%	9.7%	12.9%

Expenditures	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Personal Services	\$1,143,900	\$1,116,500	\$1,242,300	\$1,488,500	\$1,665,400	\$1,693,200
Travel	80,800	72,900	103,200	114,200	142,000	150,700
Current Expense	662,500	468,700	400,600	501,500	502,600	491,300
Data Processing	9,800	68,600	8,300	33,700	46,700	63,700
DP Capital	19,800	(10,000)	10,000			
Capital Outlay						
Pass-Through	13,644,200	13,274,400	14,718,800	26,242,800	28,779,400	32,741,500
Total	\$15,561,000	\$14,991,100	\$16,483,200	\$28,380,700	\$31,136,100	\$35,140,400
% Change		(3.7%)	10.0%	72.2%	9.7%	12.9%

FTE	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Standard	22.0	22.0	24.0	31.8	31.7	32.7
Building Block						
Total	22.0	22.0	24.0	31.8	31.7	32.7
% Change		0.0%	9.1%	32.5%	(0.5%)	3.3%

4.1 Community Development Federal Funds

Program		FY 1998	FY 1999	FY 1999	FY 2000
		Actual	Approp.	Estimated	Analyst
Community Assistance	Federal	\$9,148,900	\$7,873,600	\$8,735,000	\$12,795,400
CDBG 14.228	State	80,200	80,300	80,300	80,300

HUD	Total	\$9,229,100	\$7,953,900	\$8,815,300	\$12,875,700
Community Assistance	Federal	\$168,900	\$125,000	\$125,000	\$125,000
Special Purpose Grant	State				
	Total	\$168,900	\$125,000	\$125,000	\$125,000
Housing Development	Federal	\$343,100	\$4,207,200	\$4,207,200	\$4,200,000
HOME 14.239	State				
HUD	Total	\$343,100	\$4,207,200	\$4,207,200	\$4,200,000
Housing Development	Federal		\$7,172,200	\$8,198,600	\$8,226,800
LIHEAP	State				
HHS	Total		\$7,172,200	\$8,198,600	\$8,226,800
Community Services	Federal	\$2,739,700	\$2,569,200	\$2,569,200	\$2,570,100
CSBG 93.569	State	116,000	116,200	116,200	116,200
HHS	Total	\$2,855,700	\$2,685,400	\$2,685,400	\$2,686,300
Commission on Volunteers	Federal	\$860,000	\$1,004,400	\$1,004,400	\$1,197,000
Americorps 94.003	State	62,700	88,200	88,200	88,200
HHS	Total	\$922,700	\$1,092,600	\$1,092,600	\$1,285,200
	Total Federal	\$13,260,600	\$22,951,600	\$24,839,400	\$29,114,300
	Total State	\$258,900	\$284,700	\$284,700	\$284,700
	Grand Total	\$13,519,500	\$23,236,300	\$25,124,100	\$29,399,000

1.0 Community Development Capital**Total
Recommendation**

Financing	Analyst
General Fund (Ongoing)	\$564,100
Federal	1,018,000
Permnt. Comm. Impact	12,865,000
Repayments	8,375,000
Total	<u>\$22,822,100</u>
 Programs	
Emergency Shelter & Supp. Housing	\$908,000
Critical Needs Housing	564,100
Housing Preservation Grant	110,000
Permanent Community Impact Fund	<u>21,240,000</u>
Total	<u>\$22,822,100</u>

Mission

These programs provide housing for the needy and funds for rural development.

3.1 Community Development Capital Programs: Emergency Shelter & Supportive Housing

Recommendation The Analyst recommends a budget of \$908,000 in federal funds.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
Federal	\$410,300	\$908,000	\$908,000	
Total	\$410,300	\$908,000	\$908,000	

Mission Emergency Shelter pays for utilities, building renovations and leased space for the homeless. Permanent Housing for the Handicapped Homeless buys housing for the chronically mentally ill and disabled homeless with HUD funds.

1998 Emergency Shelter Grants

Applicant	Grant
BRAG	\$10,000
Box Elder YWCA	10,000
CCS/N. Utah	30,000
CAPSA	7,100
CAS/Provo	28,470
Cedar PHA	10,000
Dixie C&S	23,000
Domestic Peace Task	10,000
Food & Care Coalition	16,000
ICCS	23,850
NHCC	25,000
Seekhaven	20,000
SL CAP	5,000
St. Anne's	38,000
St. George PHA	10,000
TAS	30,000
UBAG	13,000
Union Gospel Mission	14,000
YCC	29,400
State Admin	18,700
TOTAL	\$371,520

Supportive Housing Reimbursements went to Catholic Community Services, Travelers Aide Society, Valley Mental Health, Housing Authority of Salt Lake City, and Salt Lake City.

3.2 Community Development Capital Programs: Critical Needs Housing

Recommendation The Analyst recommends a budget of \$564,100.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$564,100	\$564,100	\$564,100	
Federal Lapsing	(70,000)			
Total	\$494,100	\$564,100	\$564,100	

Mission The Program helps local governments provide shelter for the homeless, low-income, battered women, mentally ill, retarded, abused children and migrant farm workers. It also helps the elderly and poor pay for home repairs, painting, and weatherization.

1998 Housing Awards

Applicant	Award
Aneth	\$30,000
Assist, Inc.	18,000
Assn. Indp.	60,000
BRAG	15,000
Cedar PHA	13,000
CAPSA	4,300
CAS/Provo	20,000
Davis PHA	20,000
Five County AOG	22,300
Grand Co. PHA	12,000
Mountainland	20,000
Myton PHA	15,000
Navajo Utah	36,000
NHCC	16,000
SL CAP	18,000
SL CDC	50,000
Six Co. AOG	20,000
TAS	80,000
Tooele PHA	20,000
UBAG	20,000
Utah Issues	20,000

Nonprofit Training	10,000
Poverty Report	10,000
TOTAL	\$549,600

3.3 Community Development Capital Programs: Housing Preservation Grant

Recommendation The Analyst estimates Federal Funds at \$110,000.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
Federal	\$15,900	\$110,000	\$110,000	
Total	\$15,900	\$110,000	\$110,000	

Mission This Program provides low income home improvement federal matching grants. Grants usually bring rural homes in Farmer Home Loan eligible areas up to code and amount to less than \$10,000 each.

3.4 Community Development Capital Programs: Permanent Community Impact Fund

Recommendation The Analyst recommends a budget of \$21,240,000.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
Permnt. Comm. Impact	\$22,950,600	\$14,892,700	\$12,865,000	(\$2,027,700)
Repayments		8,900,000	8,375,000	(525,000)
Transfers	(24,400)			
Beginning Nonlapsing	24,400			
Closing Nonlapsing				
Lapsing	(13,274,000)			
Total	\$9,676,600	\$23,792,700	\$21,240,000	(\$2,552,700)

Mission Federal statute limits spending to public planning, public services, or public infrastructure. The Division is allowed to use 2 percent of the total (including Permanent Community Impact and repayments) for administrative expenses. The Permanent Community Impact fund gets 32.5% of regular Mineral Lease and 70% of bonus Mineral Lease plus 80% of Higher Education's allocation. The Analyst's projection:

Revenue Estimate	Percent	Of Total	= PCIF
Regular Mineral Lease	32.5%	\$28,500,000	\$9,262,500
Bonus Mineral Lease	70.0%	2,500,000	1,750,000
Higher Education Transfer			5,699,900
Repayments			8,375,000
Total			\$25,087,400

Permanent Community Impact When non-renewable, non-metallic resources are extracted from federal lands, the federal Government mitigates the loss and local impacts by

Fund Revenue Sources charging the developer a royalty. Utah's half of these Mineral Lease revenues comes from coal, oil, and natural gas development. Mineral Lease Bonus funds come from Interior Department's royalties on oil shale prototype leases. The Permanent Community Impact Fund gets 32.5% of Mineral Lease funds and 70% of Bonus funds. Mineral Lease funds can be used for loans and grants while Bonus funds are for loans only.

Allocation and Diversion UCA 59-21-2 allocates up to 33.5% of Mineral Lease funds to the Board of Regents but sets up a progressive diversion to the Permanent Community Impact Fund. In FY 2000, 80% of the Regents share will be diverted to the Permanent Community Impact Fund with that amount increasing to 100% next year. The Board of Regents loss is made up from General Funds.

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3.4 Community Development Capital Programs: Permanent Community Impact Fund

Agencies The Permanent Community Impact Board makes loans and grants to state agencies, counties, cities, towns, housing authorities, building authorities, special service districts, special improvement districts, water conservancy districts, water or sewer improvement districts, or school districts that are socially or economically impacted, directly or indirectly by mineral development on federal lands. Individuals, corporations, associations, and private non-profit organizations are not eligible. Eligible projects are public facilities, public services, and planning. Education projects that the district could fund through annual budgeting, bonding, or special assignment are not eligible.

Board Membership

1. Department of Community and Economic Development Director
2. State Treasurer
3. Board of Water Resources Chairman
4. Water Quality Board Chairman
5. State Board of Education Chairman
6. State Board of Regents Chairman
7. Utah Transportation Commission Chairman
8. A Carbon, Emery, Grand, or San Juan County elected official
9. A Duchesne, Daggett, or Uintah County elected official
10. A Beaver, Iron, Washington, Garfield, or Kane County elected official
11. A Juab, Millard, Sanpete, Sevier, Piute, or Wayne County elected official

Statutory Eligibility Factors

1. The subdivision's current mineral lease production
2. Expected impact of proposed mineral extraction.
3. Subdivision's residential tax burden.
4. Subdivision's borrowing capacity.

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3.4 Community Development Capital Programs: Permanent Community Impact Fund (continued)

FY 1998 Allocations	Agency	Project	Grant	Loans
	Carbon County			
	Carbon CO BA	Airport improvement	\$122,750	\$122,750
	Carbon Co R&T SSD	Street improvement	1,500,000	
	Wellington City	Water project	300,000	200,000
	Daggett County			
	Daggett County	Road Project	425,000	
	Duchesne County			
	Duchesne City	Streets Suppl	30,000	30,000
	Duchesne CO MBA	Building Supp	85,000	
	Emery County			
	Castle Valley SSD	Drinking Water	860,000	940,000
	Castle Valley SSD	Capital Improvement	790,000	790,000
	Cleveland Town	Building Renovations	39,000	
	Elmo Town	Streetscape	54,280	
	Emery CO Fire	Equipment	67,500	
	Emery CO MBA	New Building	666,000	
	Emery Town	Canal Study	15,000	
	Green River City	Medical Building	220,000	180,000
	Green River City	New Building	75,000	
	Huntington City	City Hall	175,000	175,000
	Huntington City	New Building Supp.	30,000	30,000
	Garfield County			
	Cannonville	Water Study	40,000	

Escalante City	Water System		270,000
Henrieville Town	Building Renovation	25,000	
Panguitch City	Fire Station	233,988	
Grand County			
Grand County Visitors	Airport Improvements	200,000	400,000
Iron County			
Cedar City	Tourism Survey	12,000	
Parowan City	Building Upgrade	84,146	126,218
Juab County			
Juab County	Waste Management	25,000	263,000
Kane County			
Kane CO HR SSD	Equipment	40,000	
Millard County			
Leamington Town	Recreation	15,000	
Piute County			
Circleville Town	Street Improvements	64,200	

3.4 Community Development Capital Programs: Permanent Community Impact Fund (continued)

San Juan County			
Monticello City	Drinking Water	\$480,000	
San Juan CO	Equipment	385,000	
San Juan CO	Building - Mental Health	100,000	\$200,000
San Juan CO SSC#1	Drinking Water	442,000	
San Juan CO SVC	Sewer Project	400,000	120,000
San Juan CO WCD	Plan/design/study	75,000	
Sanpete County			
Fairview City	Water Study	7,500	
Fountain Green	Building		250,000
Gunnison City	Recreation		1,620,000
Mr. Pleasant City	Building	150,000	200,000
Sanpete CO SSC#2	Equipment	60,000	
Sevier County			
Elsinore Town	Street Improvements	140,000	250,000
Elsinore Town	Streetscape	50,000	50,000
Salina City	Equipment	160,000	
Sigurd Town	Equipment	60,000	
Tooele County			
Tooele County	Airport Improvements	400,000	
Uintah County			

Ashley Valley	Sewer Project	600,000	281,962
Ashley Valley	Sewer Project	1,251,000	
Ballard WID	Sewer Project	100,000	
Maeser WID	Sewer Project	598,000	
Naples City	Streetscape	200,000	
Uintah SSD	Equipment		892,500
Uintah SSD	Streetscape		695,530
Uintah WCD	Drinking Water	505,500	168,500
Uintah WCD	Flood Study	70,000	
Vernal City	Sewer Improvements		2,126,000
Vernal City	Street Improvements	425,000	350,000
Washington County			
Virgin Town	Street Improvements	60,000	
Washington CO	Building Renovations	50,000	
State Agencies			
College of Eastern Utah	Equipment	246,221	
College of Eastern Utah	Land Purchase	71,000	
CEU/Grand CO	GIS Mapping	107,840	
UU/Uintah CO	Plan/design/study	100,000	
USU	Equipment	123,984	

4.0 Community Development Capital Programs: Tables

Financing	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
General Fund (Ongoing)	\$1,194,100	\$1,064,100	\$564,100	\$564,100	\$564,100	\$564,100
Federal	348,600	569,100	428,900	426,200	1,018,000	1,018,000
GFR-Mineral Lease	10,657,100	13,736,000	12,954,200			
Permmt. Comm. Impact				22,950,600	14,892,700	12,865,000
Repayments	7,684,100	7,992,000	9,223,000		8,900,000	8,375,000
Transfers				(24,400)		
Beginning Nonlapsing	23,600	22,200	22,200	24,400		
Closing Nonlapsing	(22,200)	(22,200)	(22,200)			
Lapsing	(5,800)	(959,500)	(4,555,800)	(13,344,000)		
Total	\$19,879,500	\$22,401,700	\$18,614,400	\$10,596,900	\$25,374,800	\$22,822,100
% Change		12.7%	(16.9%)	(43.1%)	139.5%	(10.1%)

Programs	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Emergency & Supportive	\$296,300	\$553,100	\$417,100	\$410,300	\$908,000	\$908,000
Critical Needs Housing	1,188,300	546,900	526,300	494,100	564,100	564,100

Housing Preserv. Grant	52,300	16,000	11,800	15,900	110,000	110,000
PCIF	18,342,600	21,285,700	17,659,200	9,676,600	23,792,700	21,240,000
Total	\$19,879,500	\$22,401,700	\$18,614,400	\$10,596,900	\$25,374,800	\$22,822,100
% Change		12.7%	(16.9%)	(43.1%)	139.5%	(10.1%)

Expenditures	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Personal Services			\$7,800			
Travel						
Current Expense			200			
Data Processing						
DP Capital						
Capital Outlay						
Pass-Through	\$19,879,500	\$22,401,700	18,606,400	\$10,596,900	\$25,374,800	\$22,822,100
Total	\$19,879,500	\$22,401,700	\$18,614,400	\$10,596,900	\$25,374,800	\$22,822,100
% Change		12.7%	(16.9%)	(43.1%)	139.5%	(10.1%)

4.1 Community Development Capital Federal Funds

Program		FY 1998	FY 1999	FY 1999	FY 2000
		Actual	Approp.	Estimated	Analyst
Emergency Shelter	Federal	\$366,900	\$583,000	\$583,000	\$583,000
	State				
HUD 14.231	Total	\$366,900	\$583,000	\$583,000	\$583,000
Supportive Housing	Federal	\$43,400	\$325,000	\$325,000	\$325,000
SNAPS	State				
HUD	Total	\$43,400	\$325,000	\$325,000	\$325,000
Housing Preservation	Federal	\$15,900	\$110,000	\$110,000	\$110,000
FmHA	State				
Agriculture/Farmer's Home	Total	\$15,900	\$110,000	\$110,000	\$110,000

Total Federal	\$426,200	\$1,018,000	\$1,018,000	\$1,018,000
Total State				
Grand Total	\$426,200	\$1,018,000	\$1,018,000	\$1,018,000

D)

D)

1.0 Utah Technology Finance Corporation**Total
Recommendation**

Financing	Analyst
Dedicated Credits	\$4,200,000
Beginning Nonlapsing	1,720,400
Closing Nonlapsing	<u>(1,720,400)</u>
Total	<u><u>\$4,200,000</u></u>
 Programs	
Utah Technology Finance Corporation	<u>\$4,200,000</u>
Total	<u><u>\$4,200,000</u></u>

Mission

UTFC provides capital and technical assistance to starting and emerging Utah businesses.

3.1 Utah Technology Finance Corporation Programs: Administration

Recommendation The Analyst recommends \$4,200,000. This is a sustainable level of funding.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$1,000,000			
Federal				
Dedicated Credits	4,172,400	\$4,050,000	\$4,200,000	\$150,000
Beginning Nonlapsing	3,170,400	3,170,400	1,720,400	(1,450,000)
Closing Nonlapsing	(3,170,400)	(1,720,400)	(1,720,400)	
Total	\$5,172,400	\$5,500,000	\$4,200,000	(\$1,300,000)

Mission UTFC provides capital and technical assistance to starting and emerging Utah businesses.

Activities A performance audit by the Legislative Auditor General issued June 1998 was critical of UTFC on several counts. Prior to the release, the director was replaced and during the session the Legislature eliminated General Fund from their budget. Since that time the new director has been addressing the issues and recommendations that were included in the audit.

- ♦ UTFC has been restructured with the size of the board reduced from 11 to 7 non-voting Trustee Advisors from the Department of Community and Economic Development and the Department of Financial Institutions.
- ♦ UTFC has changed its policies and procedures which resolved 12 of the 14 recommendations of the Legislative Audit Report. The two remaining require legislative action and will be addressed this session.
- ♦ They have refocused on their core goal of assisting small businesses find financing and have eliminated some of their programs.
- ♦ They have scaled down expenses, reducing employee count from 17 to 9. This size is sustainable without additional State funds.
- ♦ As loans are paid back, they have funds to loan again at about \$4,200,000 per year.

3.1 Utah Technology Finance Corporation Programs: Administration

This past summer a task force was created by DBED Board to study UTFC and answer these questions:

- ♦ Is there a continuing need for UTFC?
- ♦ If the need still exists, should changes be made in the current mission or operations of UTFC?
- ♦ Are on-going state appropriations needed for UTFC?

That report is included in section 4.1 and copies of the Legislative Auditor General's report (88 pages) will be provided on request.

4.0 Utah Technology Finance Corporation Tables

Financing	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
General Fund (Ongoing)	\$1,800,000	\$1,984,000	\$2,130,500	\$1,000,000		
Federal	1,049,300	1,218,900	922,400			
Dedicated Credits	2,083,000	1,392,300	993,900	4,172,400	\$4,050,000	\$4,200,000
Transfers						
Beginning Nonlapsing	3,307,300	3,846,200	4,145,900	3,170,400	3,170,400	1,720,400
Closing Nonlapsing	(3,739,700)	(4,145,900)	(3,170,400)	(3,170,400)	(1,720,400)	(1,720,400)
Total	\$4,499,900	\$4,295,500	\$5,022,300	\$5,172,400	\$5,500,000	\$4,200,000
% Change		(4.5%)	16.9%	3.0%	6.3%	(23.6%)

Programs	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
UTFC	\$4,499,900	\$4,295,500	\$5,022,300	\$5,172,400	\$5,500,000	\$4,200,000
Total	\$4,499,900	\$4,295,500	\$5,022,300	\$5,172,400	\$5,500,000	\$4,200,000
% Change		(4.5%)	16.9%	3.0%	6.3%	(23.6%)

1.0 Utah Housing Finance Agency

**Total
Recommendation**

Financing	Analyst
Dedicated Credits	<u>\$3,052,000</u>
Total	<u><u>\$3,052,000</u></u>
 Programs	
Utah Housing Finance Corporation	<u>\$3,052,000</u>
Total	<u><u>\$3,052,000</u></u>

Mission

Utah Housing Finance Agency is charged with creating an adequate supply of affordable housing. They make mortgage monies available at interest rates below market rate for low and moderate income home buyers, and developers of low-income apartment projects and for home improvements. They allocate federal income tax credits to builders and developers to stimulate the development and rehabilitation of low-income rental units in Utah.

3.1 Utah Housing Finance Corporation Programs: Administration

Recommendation The Analyst makes no funding recommendations for Utah Housing Finance Agency because they require no funds from the State. The agency is financed from the sale of tax exempt bonds, fees charged to participating mortgage lenders in the single family and multifamily mortgage purchase programs, and interest earnings from investment funds.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
Dedicated Credits	\$2,190,000	\$2,775,000	\$3,052,000	\$277,000
Total	\$2,190,000	\$2,775,000	\$3,052,000	\$277,000
FTE	33.5	41.0	44.0	3.0

Mission Utah Housing Finance Agency is charged with creating an adequate supply of affordable housing. They make mortgage monies available at interest rates below market rate for low and moderate income home buyers, and developers of low-income apartment projects and for home improvements. They allocate federal income tax credits to builders and developers to stimulate the development and rehabilitation of low-income rental units in Utah.

History The Agency was created in 1977 by a repayable appropriation of \$250,000 for start-up costs. The following year the Legislature made another repayable appropriation of \$500,000 for a bond reserve fund. These were repaid in 1979. The Legislature appropriated another \$4,800,000 during a period of extremely high rates so that rates could be lowered. The State was repaid in 1987. The Agency has been completely self-sufficient since 1982.

Accomplishments From 1977 through 1998, they have financed about 50,400 residential units 23,500 existing units and 26,900 new residential units. They account for about 8 percent of total new single family construction and 12 percent of all multifamily construction in Utah since 1977. When coupled with the federal Low-Income Housing Tax Credit Program (administered by UHFA) the total effect is 26 percent of all multifamily construction in Utah.

The economic impact of building 26,900 residential units and importing three billion dollars in capital, is 25,600 jobs paying \$900 million in salaries.

4.0 Utah Housing Finance Corporation Tables

Financing	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Dedicated Credits	\$1,446,000	\$1,588,100	\$1,794,000	\$2,190,000	\$2,775,000	\$3,052,000
Total	\$1,446,000	\$1,588,100	\$1,794,000	\$2,190,000	\$2,775,000	\$3,052,000
% Change		9.8%	13.0%	22.1%	26.7%	10.0%

Programs	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
UHFA	\$1,446,000	\$1,588,100	\$1,794,000	\$2,190,000	\$2,775,000	\$3,052,000
Total	\$1,446,000	\$1,588,100	\$1,794,000	\$2,190,000	\$2,775,000	\$3,052,000
% Change		9.8%	13.0%	22.1%	26.7%	10.0%

Expenditures	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Personal Services	\$1,012,500	\$1,118,000	\$1,265,000	\$1,656,300	\$2,099,000	\$2,290,000
Travel	15,500	18,900	20,000	20,500	24,400	25,000
Current Expense	343,000	377,000	368,800	304,600	363,100	499,000
Data Processing	55,000	51,200	89,200	143,800	210,000	183,000
DP Capital						
Capital Outlay	20,000	23,000	51,000	64,800	78,500	55,000
Pass-Through						
Total	\$1,446,000	\$1,588,100	\$1,794,000	\$2,190,000	\$2,775,000	\$3,052,000
% Change		9.8%	13.0%	22.1%	26.7%	10.0%

FTE	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Standard	24.0	25.0	28.5	33.5	41.0	44.0
Building Block						
Total	24.0	25.0	28.5	33.5	41.0	44.0
% Change		4.2%	14.0%	17.5%	22.4%	7.3%

1.0 Utah State Fair Corporation**Total
Recommendation**

Financing	Analyst
General Fund (Ongoing)	\$270,000
Dedicated Credits	3,223,900
Beginning Nonlapsing	1,058,700
Closing Nonlapsing	(1,058,700)
Total	<u>\$3,493,900</u>
 Programs	
Utah State Fair Corporation	<u>\$3,493,900</u>
Total	<u>\$3,493,900</u>

Mission

The State Fair Corporation is an independent public nonprofit corporation that holds the annual State Fair and maintains the State owned grounds and facilities. The Corporation is trying to become independent through year-round facility use.

3.1 Utah State Fair Corporation Programs: Administration

Recommendation The State Fair operates the State Fair at a profit but maintaining the facilities the rest of the year is a financial drain. There isn't enough left to fix up the deteriorating facilities. The facilities need to be addressed through the Capital Facilities and Administrative Services Appropriations Subcommittee. The State Fair is embarking on a major overhaul of all facilities by having sponsors build a state aquarium and science center. Meanwhile the Analyst recommends continuing State support at \$270,000 in General Fund and a total budget of \$3,493,900. The Non-lapsing balances in this budget are essential for continued operation.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$270,000	\$270,000	\$270,000	
General Fund (1-time)		300,000		(\$300,000)
General Fund Total	\$270,000	\$570,000	\$270,000	(\$300,000)
Dedicated Credits	3,398,700	3,074,000	3,223,900	149,900
Transfers		50,000		(50,000)
Beginning Nonlapsing	1,030,100	1,058,700	1,058,700	
Closing Nonlapsing	(1,058,700)	(1,058,700)	(1,058,700)	
Total	\$3,640,100	\$3,694,000	\$3,493,900	(\$200,100)

Mission Utah's first State Fair was held in 1856, just nine years after the pioneers arrived. The Fair promotes agriculture, home arts, business, and fine arts.

Privatizing the Fair should help increase donations and other revenue. The expressed intent of the privatizing legislation is that the Fair not receive any more State funding although it is authorized to receive appropriations indefinitely.

State Fair Statistical History	FY 1993 Actual	FY 1995 Actual	FY 1996 Actual	FY 1997 Actual	FY 1998 Actual
Attendance	422,252	347,476	320,831	330,271	307,048
Paid Attendance	255,681	202,741	204,519	199,366	171,894
Revenue					
Admissions	\$694,653	\$546,542	\$718,342	\$757,233	\$681,058
Grand Stand Admissions	268,753	233,629	240,143	176,586	156,302
Parking	74,814	68,407	122,719	119,442	132,325
Carnival	166,408	117,506	126,598	145,528	151,151
Western Foods	186,029	145,602	166,601	174,167	181,943
Commercial Space	248,761	258,579	324,078	312,480	353,433
Competitive Entry	25,420	35,940	43,428	41,672	31,170

Program Sales	6,600	1,129	634	746	1,366
Advertisements	1,536	1,220	1,266	516	613
Donations	28,054	72,304	69,810	56,426	70,557
Misc.	20,753	13,201	7,976	10,880	5,652
Total	\$1,721,781	\$1,494,059	\$1,821,595	\$1,795,676	\$1,765,570

4.0 Utah State Fair Corporation Tables

Financing	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
General Fund (Ongoing)	\$629,000	\$666,900	\$595,000	\$270,000	\$270,000	\$270,000
General Fund (1-time)					300,000	
General Fund Total	\$629,000	\$666,900	\$595,000	\$270,000	\$570,000	\$270,000
Dedicated Credits	2,517,400	2,736,000	2,799,100	3,398,700	3,074,000	3,223,900
Beginning Nonlapsing	226,700	659,000	975,000	1,030,100	1,058,700	1,058,700
Closing Nonlapsing	(659,000)	(975,000)	(1,030,100)	(1,058,700)	(1,058,700)	(1,058,700)
Total	\$2,714,100	\$3,122,600	\$3,339,000	\$3,640,100	\$3,694,000	\$3,493,900
% Change		15.1%	6.9%	9.0%	1.5%	(5.4%)

Programs	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Utah State Fair Corp.	\$2,714,100	\$3,122,600	\$3,339,000	\$3,640,100	\$3,694,000	\$3,493,900
Total	\$2,714,100	\$3,122,600	\$3,339,000	\$3,640,100	\$3,694,000	\$3,493,900
% Change		15.1%	6.9%	9.0%	1.5%	(5.4%)

1.0 Human Resource Management**Total
Recommendation**

Financing	Analyst
General Fund (Ongoing)	\$2,899,200
Dedicated Credits	421,900
Beginning Nonlapsing	147,500
Closing Nonlapsing	(147,500)
Total	\$3,321,100
 Programs	
Administration	\$634,000
Classification & Compensation	678,300
Employment Services	682,400
Flex Benefits	3,100
Human Resource Management Training	325,000
Information Technology	998,300
Total	\$3,321,100

Mission

The Department manages the State personnel system, including the State's pay plan and classification system. It also runs a training program, maintains an information system, runs the FLEX Benefits Program, and presents the Governor's Conference on Management.

2.0 Human Resource Management Budget Highlights

Building Block: This is a transfer from the Courts system to DHRM to cover costs associated with their using the Enterprise system but not paying for it.

Financing	Analyst
General Fund (Ongoing)	\$56,000
Total	\$56,000

3.1 Human Resource Management Programs: Administration

Recommendation The Analyst's recommendation of \$634,000 includes an addition of \$1,900 in General Fund for internal service fund adjustments. The agency has moved \$24,000 away from this program to other priorities in the current year.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$497,200	\$562,300	\$540,200	(\$22,100)
Dedicated Credits	100	15,000	93,800	78,800
Total	\$497,300	\$577,300	\$634,000	\$56,700
FTE	4.5	6.0	6.2	0.2

Mission Administration provides Departmental leadership and service.

Previous Intent It is the intent of the Legislature that the Department of Human Resource Management permanent employee FTE count be maintained at the FY 1998 level or below.

Compliance Full

New Intent: The Department has asked for non-lapsing intent so that they can save up to purchase a new unix server. The Analyst recommends the following intent:

It is the intent of the Legislature that these funds not lapse.

3.2 Human Resource Management Programs: Classification & Compensation

Recommendation The Analyst's recommendation of \$678,300 includes a \$100 increase for internal service fund adjustments.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$522,700	\$678,200	\$678,300	\$100
Dedicated Credits	700			
Total	\$523,400	\$678,200	\$678,300	\$100
FTE	12.0	14.0	14.0	

Mission This Program maintains the State's Classification and Pay Plan. Salary surveys identify occupations whose pay isn't aligned with competitors. This helps reduce turnover and training costs. Job audits assure proper job classification.

In the next fiscal year the state's classification and selection systems will be integrated into a comprehensive job analysis program.

3.3 Human Resource Management Programs: Employment Services

Recommendation The Analyst's recommendation of \$682,400 includes a \$900 increase for internal service fund adjustments.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$586,700	\$681,500	\$682,400	\$900
Dedicated Credits				
Total	\$586,700	\$681,500	\$682,400	\$900
FTE	11.5	11.5	11.5	

Mission By request, Employment Services develops personnel recruitment and selection policies for State agencies. It also provides training and technical support on employee relations, fair employment practices, diversity and liability prevention including sexual harassment training and drug testing.

Utah Skills Match This is a computerized applicant tracking and skills database system. It is designed to give state recruiters access to a pool of qualified applicants from their desktop computers.

Performance Measures	Selection and Recruitment					
	FY 1994 Actual	FY 1995 Actual	FY 1996 Actual	FY 1997 Actual	FY 1998 Actual	FY 1999 Estimated
Calendar days from requisition to hiring list delivery.	27-30	27-30	27-30	21	20	20
Calendar days from requisition to accepted job offer.	46-55	46-55	46-55	46	41	40
Resumes in data base	N/A	N/A	N/A	16,633	20,508	21,000

3.4 Human Resource Management Programs: Flex Benefits

Recommendation The Analyst recommends a budget of \$3,100 in Dedicated Credits. This function has been contracted to PEHP.

Financing	FY 1998	FY 1999	FY 2000	Est/Analyst
	Actual	Estimated	Analyst	Difference
Dedicated Credits	\$24,600	\$9,400	\$3,100	(\$6,300)
Beginning Nonlapsing	7,600	2,000		(2,000)
Closing Nonlapsing	(2,000)	(2,000)		2,000
Total	\$30,200	\$9,400	\$3,100	(\$6,300)

Mission This is an IRS Section 125 program that allows employees to deduct medical and dependent care costs from payroll on a pre-tax basis. Unused funds may be distributed to all participants or used for administrative costs.

This saves employees money and saves state money in unpaid FICA.

3.5 Human Resource Management Programs: Human Resource Management Training

Recommendation The Analyst recommends a budget of \$325,000 in Dedicated Credits which comes from state sponsored training.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$26,400			
Dedicated Credits	332,600	275,000	325,000	50,000
Beginning Nonlapsing	70,500	50,000	50,000	
Closing Nonlapsing	(50,000)	(50,000)	(50,000)	
Total	\$379,500	\$275,000	\$325,000	\$50,000

Mission Human Resource Management Training is aimed at reducing liability claims and improving management skills. It developed a Liability Master plan with Risk Management and presents Certified Public Manager (CPM) training.

Performance

Measures:

	FY 1994 Actual	FY 1995 Actual	FY 1996 Actual	FY 1997 Actual	FY 1998 Actual
CPM Enrollees	120	119	226	285	449
Dedicated Credits	\$20,000	\$40,000	\$62,300	\$166,550	\$267,950

3.6 Human Resource Management Programs: Human Resource Enterprise

Recommendation The Analyst's recommended budget of \$998,300 includes a \$7,200 reduction for internal service fund adjustments.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$1,079,400	\$925,500	\$998,300	\$72,800
Beginning Nonlapsing	156,400	97,500	97,500	
Closing Nonlapsing	(97,500)	(97,500)	(97,500)	
Total	\$1,138,300	\$925,500	\$998,300	\$72,800
FTE	13.0	9.0	9.0	

Mission Originally called HR Streamline, the name has been changed to HR Enterprise. This client server system delivers information to the desktop rather than through the mainframe. It is designed so that information is only entered once and then flows to update multiple employee records. Managers and Human Resource Specialists have access to a variety of standard reports and the ability to do custom reports and searches in real time without mainframe costs.

Building Block: This is a transfer from the Courts system to DHRM to cover costs associated with their using the Enterprise system but not paying for it.

Financing	Analyst
General Fund (Ongoing)	\$56,000

Total	\$56,000
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Performance Measures						
	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998
Types of Reviews						
Classification Grievance	143	258	200	100	6	7
Hearing Officer Grievance		102	100	50	3	1

The reduction in grievances is a major accomplishment showing a smoother running system, more satisfied employees, and a reduction in cost.

4.0 Human Resource Management Tables

Financing	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
General Fund (Ongoing)	\$2,027,600	\$2,140,600	\$2,537,500	\$2,712,400	\$2,847,500	\$2,899,200
Dedicated Credits	90,000	200,300	345,700	360,200	299,400	421,900
Transfers	2,877,800	(31,200)				
Beginning Nonlapsing	34,400	1,694,000	460,000	234,500	149,500	147,500
Closing Nonlapsing	(1,707,600)	(434,600)	(234,500)	(149,500)	(149,500)	(147,500)
Total	\$3,322,200	\$3,569,100	\$3,108,700	\$3,157,600	\$3,146,900	\$3,321,100
% Change		7.4%	(12.9%)	1.6%	(0.3%)	5.5%

Programs	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Administration	\$832,600	\$873,000	\$539,300	\$497,300	\$577,300	\$634,000
Classification & Comp.	645,400	681,800	688,000	523,400	678,200	678,300
Employment Services	627,700	615,600	590,700	586,700	681,500	682,400
Flex Benefits	11,900	15,400	8,100	30,200	9,400	3,100
Management Training		147,600	245,100	379,500	275,000	325,000
Information Tech.	1,204,600	1,235,700	1,037,500	1,140,500	925,500	998,300
Total	\$3,322,200	\$3,569,100	\$3,108,700	\$3,157,600	\$3,146,900	\$3,321,100
% Change		7.4%	(12.9%)	1.6%	(0.3%)	5.5%

Expenditures	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Personal Services	\$1,874,700	\$2,183,000	\$2,313,100	\$2,155,700	\$2,360,200	\$2,334,400
Travel	6,600	25,700	13,900	12,800	13,200	14,600
Current Expense	328,000	700,000	443,100	546,900	457,500	579,600
Data Processing	386,300	198,500	335,500	312,800	233,400	294,400
DP Capital	724,900	450,400		125,000	78,200	98,100
Capital Outlay						
Pass-Through	1,700	11,500	3,100	4,400	4,400	
Total	\$3,322,200	\$3,569,100	\$3,108,700	\$3,157,600	\$3,146,900	\$3,321,100
% Change		7.4%	(12.9%)	1.6%	(0.3%)	5.5%

FTE	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Standard	39.6	39.6	41.0	41.0	40.5	40.7
Building Block						
Total	39.6	39.6	41.0	41.0	40.5	40.7
% Change		0.0%	3.5%	0.0%	(1.2%)	0.5%

1.0 Career Service Review Board

**Total
Recommendation**

Financing	Analyst
General Fund (Ongoing)	<u>\$156,700</u>
Total	<u><u>\$156,700</u></u>
Programs	
Career Service Review Board	<u>\$156,700</u>
Total	<u><u>\$156,700</u></u>

Mission

The Career Service Review Board administers the State's grievance and appeals process. Its policy is to resolve grievances at the lowest possible managerial level. It has hearing officers, is a quasi-judicial body, and hears final administrative appeals. It has no jurisdiction over classification grievances and is required to send them to the Department of Human Resource Management.

The Program has five lay board members and two full-time staff.

2.0 Career Service Review Board Budget Highlights

Building Block: The Analyst recommends a \$12,000 increase in General Fund for the Career
Workload Increase Service Review Board.

As of September 15, 1998, the CSRB spent 42% of its allocation for hearing expenses. The Board estimates that it will need another \$12,000 annually to keep up with increasing workload. State statute establishes state employees' legal right to CSRB hearings. Not funding the hearings would subject the State to lawsuits much more expensive than holding the hearings.

Financing	FY 2000
General Fund (Ongoing)	\$12,000
Total	\$12,000

3.1 Career Service Review Board Programs: Administration

Recommendation The Analyst recommends a budget of \$156,700 in General Fund. The Non-lapsing carry-forward amounts are not excessive for the size of the program.

Financing	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)	\$143,600	\$144,600	\$156,700	\$12,100
Beginning Nonlapsing	3,500	300		(300)
Closing Nonlapsing	(300)	(300)		300
Total	\$146,800	\$144,600	\$156,700	\$12,100
FTE	2.0	2.0	2.0	

Mission The Career Service Review Board administers the State's grievance and appeals process. Its policy is to resolve grievances at the lowest possible managerial level. It has hearing officers, is a quasi-judicial body, and hears final administrative appeals. It has no jurisdiction over classification grievances and is required to send them to the Department of Human Resource Management.

The Program has five lay board members and two full-time staff.

Previous Intent: S. B. 1, Item 119:

It is the intent of the Legislature that the Career Service Review Board's permanent employee FTE count be maintained at the FY 1998 level or below.

Compliance: Full

Proposed Intent The Analyst recommends the following intent:

It is the intent of the Legislature that these funds not lapse.

The cyclical nature of this program has them saving for heavy activity years.

3.1 Career Service Review Board Programs: Administration

Building Block: The Analyst recommends a \$12,000 increase in General Fund for the Career
Workload Increase Service Review Board.

As of September 15, 1998, the CSRB spent 42% of its allocation for hearing expenses. The Board estimates that it will need another \$12,000 annually to keep up with increasing workload. State statute establishes state employees' legal right to CSRB hearings. Not funding the hearings would subject the State to lawsuits much more expensive than holding the hearings.

Financing	FY 1999
General Fund (Ongoing)	\$12,000
Total	\$12,000

Activity

Annual Grievance Cases				
Year	Most Serious Types			All Types Total
	Jurisdictional Hearings	Evidentiary Hearings	Appellate Board Review	
FY 1988	7	11	5	107
FY 1989	2	10	2	87
FY 1990	3	6	2	78
FY 1991	11	13	4	157
FY 1992	9	14	5	104
FY 1993	14	16	4	117
FY 1994	5	7	6	94
FY 1995	3	9	2	114
FY 1996	14	10	2	115
FY 1997	4	9	2	104

4.0 Career Service Review Board Tables

Financing	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
General Fund (Ongoing)	\$134,100	\$136,400	\$137,200	\$143,600	\$144,600	\$156,700
Beginning Nonlapsing	9,500	9,500	8,500	3,500	300	
Closing Nonlapsing	(9,500)	(8,500)	(3,500)	(300)	(300)	
Total	\$123,500	\$137,400	\$142,200	\$146,800	\$144,600	\$156,700
% Change		11.3%	3.5%	3.2%	(1.5%)	8.4%

Programs	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Career Service Review	\$123,500	\$137,400	\$142,200	\$146,800	\$144,600	\$156,700
Total	\$123,500	\$137,400	\$142,200	\$146,800	\$144,600	\$156,700
% Change		11.3%	3.5%	3.2%	(1.5%)	8.4%

Expenditures	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Personal Services	\$93,300	\$86,300	\$107,300	\$113,100	\$120,000	\$120,100
Travel	100	800	1,000	200		200
Current Expense	22,900	20,800	25,700	31,400	22,100	34,100
Data Processing	2,300	4,100	8,200	2,100	2,500	2,300
DP Capital	200					
Capital Outlay	4,700					
Pass-Through		25,400				
Total	\$123,500	\$137,400	\$142,200	\$146,800	\$144,600	\$156,700
% Change		11.3%	3.5%	3.2%	(1.5%)	8.4%

FTE	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Actual	Actual	Estimated	Analyst
Standard	2.0	2.0	2.0	2.0	2.0	2.0
Building Block						
Total	2.0	2.0	2.0	2.0	2.0	2.0

% Change	0.0%	0.0%	0.0%	0.0%	0.0%
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Financing	FY 1995 Actual	FY 1996 Actual	FY 1997 Actual	FY 1998 Actual	FY 1999 Approp.	FY 1999 Estimated	FY 2000 Analyst	Est/Analyst Difference
General Fund (Ongoing)								
General Fund (1-time)								
General Fund Total								
Uniform School (1-time)								
Federal								
Dedicated Credits								
Transportation								
GFR-Industrial Assist.								
GFR-Homeless Trust								
GFR-Mineral Lease								
GFR-Mineral Bonus								
Permnt. Comm. Impact								
Repayments								
Oil Overcharge-Exxon								
Oil Overcharge-Stripper								
Transfers								
Utah Sports Authority								
Other 2								
Other 3								
Beginning Nonlapsing								
Closing Nonlapsing								
Lapsing								
Total								
% Change								
 Expenditures								
Personal Services								
Travel								
Current Expense								
Data Processing								
DP Capital								
Capital Outlay								
Pass-Through								
Total								
% Change								
 FTE								
Standard								
Building Block								
Total								
% Change								
 Programs								
Administration								
Special Initiatives								
Industrial Assistance								
Business & Econ. Dev.								
Asian Affairs								
Polynesian Affairs								
Black Affairs								
Hispanic Affairs								
Indian Affairs								
Martin Luther King C.								
Travel Development								
Utah State Hist. Society								
State History								

Fine Arts
State Library
Energy Services
Community Development
Community Dev. Capital
Disaster Relief
Utah Tech. Finance Corp.
Utah State Fair Corp.
Human Resource Mgt.
Career Service Review
Total
% Change